MW&A

McGaw YMCA

Consolidated Financial Statements

Years Ended August 31, 2020 and 2019

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
McGaw YMCA
Evanston, Illinois

We have audited the accompanying consolidated financial statements of McGaw YMCA, which comprise the consolidated statement of financial position as of August 31, 2020 and 2019, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated 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 audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

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

INDEPENDENT AUDITOR'S REPORT - Continued

Opinion

In our opinion, the consolidated financial statements referred to on the previous page present fairly, in all material respects, the financial position of McGaw YMCA as of August 31, 2020 and 2019, 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.

Mann Weitz & Associates LLC

MANN. WEITZ & ASSOCIATES L.L.C.

Deerfield, Illinois
December 1, 2020

MCGAW YMCA
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AUGUST 31, 2020 AND 2019

	2020	2019
ASSETS		
Assets		
Cash and cash equivalents	$ 4,143,459	$ 1,264,534
Investments, at fair value - Notes 3 and 6	4,095,714	4,234,345
Accounts receivable, net	85,879	248,732
Inventory	13,124	13,185
Pledges receivable, net - Note 4	372,123	665,276
Prepaid expenses	30,527	84,552
Beneficial interest in charitable lead trust, net - Notes 5 and 6		58,925
Interest rate cap derivative - Notes 6 and 8	335	352
Property and equipment, net - Notes 7 and 8	13,995,133	14,638,936
Total Assets	$ 22,736,294	$ 21,208,837
LIABILITIES AND NET ASSETS		
Liabilities		
Mortgage payable - Note 8	$ 3,497,109	$ 3,497,109
Loan payable, Paycheck Protection Program - Note 9	1,751,343	
Capital lease obligation for computer and fitness equipment and capital projects - Note 10	274,811	427,676
Accounts payable and other accrued expenses	388,799	594,259
Accrued wages and payroll taxes	285,337	157,311
Accrued vacation	409,378	343,950
Deferred program and camp fee revenue	396,092	187,050
Deferred membership dues	48,795	75,761
Funds held - YMCA sponsored groups	11,210	12,424
Total Liabilities	7,062,874	5,295,540
Net Assets		
Net assets without donor restrictions - general	11,338,434	11,042,495
Net assets without donor restrictions - board designated for specific purposes - Note 11		639,512
Total Net Assets Without Donor Restrictions	11,338,434	11,682,007
Net assets with donor restrictions - Notes 12 and 13	4,334,986	4,231,290
Total Net Assets	15,673,420	15,913,297
Total Liabilities and Net Assets	$ 22,736,294	$ 21,208,837

The accompanying notes are an integral part of this statement.

MCGAW YMCA
CONSOLIDATED STATEMENT OF ACTIVITIES
YEARS ENDED AUGUST 31, 2020 AND 2019

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and Other Support						
Support						
Contributions and grants	$ 1,567,170	$ 394,246	$ 1,961,416	$ 1,163,757	$ 917,295	$ 2,081,052
Special event revenue	293,790		293,790	252,394		252,394
Less: cost of direct benefit to donors	(99,734)		(99,734)	(112,406)		(112,406)
Net assets released from restrictions						
Expiration of purpose restrictions	185,118	(185,118)		236,256	(236,256)	
Expiration of time restrictions	339,411	(339,411)		302,102	(302,102)	
Total Support	2,285,755	(130,283)	2,155,472	1,842,103	378,937	2,221,040
Program Revenues						
Membership and programs	4,681,081		4,681,081	5,690,724		5,690,724
Residence, net of community contribution	1,255,195		1,255,195	1,222,875		1,222,875
Children's Center	3,855,214		3,855,214	5,399,927		5,399,927
Camp Echo	340,175		340,175	2,838,313		2,838,313
Fee assistance - Note 14	(1,087,648)		(1,087,648)	(1,806,234)		(1,806,234)
Total Program Revenues	9,044,017		9,044,017	13,345,605		13,345,605
Other Revenues						
Interest and dividends, net of investment expenses of $14,775 and $14,243, respectively	42,051	50,838	92,889	37,436	53,992	91,428
Realized/unrealized net gains on investments	116,830	183,141	299,971	33,595	48,452	82,047
Miscellaneous	400,748		400,748	150,362		150,362
Total Other Revenues, net	559,629	233,979	793,608	221,393	102,444	323,837
Total Revenues, Gains and Other Support	11,889,401	103,696	11,993,097	15,409,101	481,381	15,890,482
Expenses						
Program services						
Membership and programs	3,899,949		3,899,949	4,669,864		4,669,864
Residence	772,842		772,842	1,024,994		1,024,994
Children's Center	4,100,042		4,100,042	4,883,857		4,883,857
Camp Echo	1,072,941		1,072,941	2,148,211		2,148,211
Total Program Services	9,845,774		9,845,774	12,726,926		12,726,926
Supporting services						
Management and general	1,621,972		1,621,972	1,626,140		1,626,140
Fundraising	395,221		395,221	556,947		556,947
Marketing	370,007		370,007	427,748		427,748
Total Supporting Services	2,387,200		2,387,200	2,610,835		2,610,835
Total Expenses	12,232,974		12,232,974	15,337,761		15,337,761
Change in Net Assets	(343,573)	103,696	(239,877)	71,340	481,381	552,721
Net Assets						
Beginning of year	11,682,007	4,231,290	15,913,297	11,610,667	3,749,909	15,360,576
End of year	$ 11,338,434	$ 4,334,986	$ 15,673,420	$ 11,682,007	$ 4,231,290	$ 15,913,297

The accompanying notes are an integral part of this statement.

MCGAW YMCA
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED AUGUST 31, 2020

	Membership and Programs	Residence	Children's Center	Camp Echo	Total Program Services	Supporting Services: Management and General	Supporting Services: Fundraising	Supporting Services: Marketing	Supporting Services: Total Supporting Services	Cost of Direct Benefit to Donors	Total Expenses
Wages and salaries	$ 1,901,137	$ 308,203	$ 2,354,700	$ 501,198	$ 5,065,238	$ 844,887	$ 229,044	$ 173,998	$ 1,247,929	$ -	$ 6,313,167
Employee benefits	404,476	91,932	715,476	131,245	1,343,129	229,201	53,999	33,433	316,633		1,659,762
Independent contractors	37,344	205	27,205	3,690	68,444	10	45,803	3	45,816		114,260
Outside consultants and professional services	2,886	901		742	4,529	40,239	4,520	33,427	78,186	6,975	89,690
Program supplies	76,968	24,224	260,917	94,092	456,201						456,201
Administrative and office support	3,338	1,278	3,512	2,383	10,511	12,037	545	3,425	16,007		26,518
System support and maintenance	49,509	14,257	48,146	13,707	125,619	79,443	25,879	17,654	122,976		248,595
Building maintenance and supplies	273,345	106,607	127,738	54,390	562,080	4,322	1,919	1,412	7,653		569,733
Facility rental - Note 15	26,266	5,406	340,424	7,477	379,573	4,507	1,891	1,493	7,891		387,464
Promotion and advertising	(25)			162	137	2,200	11,642	81,671	95,513	1,660	97,310
Fundraising expenses							6,114	1,717	7,831	91,099	98,930
Development and learning	714	527	5,602	4,386	11,229	4,549	1,424	50	6,023		17,252
Staff and volunteer leadership meetings	3,564	778	8,210	1,732	14,284	9,834	2,990	116	12,940		27,224
Staff travel and meal	262	101	2,819	4,464	7,646	142	833	1	976		8,622
Dues and subscriptions - Note 17	46,788	8,219	29,585	14,660	99,252	6,375	2,580	16	8,971		108,223
Postage and mailing services				1,268	1,268	3,227	126	16,968	20,321		21,589
Telephone and internet access fees	31,833	8,324	28,554	16,464	85,175	7,848	943	744	9,535		94,710
Utilities	234,035	73,082	41,869	41,663	390,649	3,701	1,643	1,209	6,553		397,202
Vehicle rental and expenses	794	23	(7)	28,995	29,805	1	1		2		29,807
Property and liability insurance	78,603	2,573		20,407	101,583	130	58	43	231		101,814
Bank fees						203,028			203,028		203,028
Mortgage interest	93,055				93,055	17			17		93,072
License and taxes	2,572	5,282	39	12,222	20,115	975	7	5	987		21,102
Bad debt for program						151,157			151,157		151,157
Total Expenses Before Depreciation and Amortization Expense	3,267,464	651,922	3,994,789	955,347	8,869,522	1,607,830	391,961	367,385	2,367,176	99,734	11,336,432
Depreciation and Amortization Expenses - Note 7	632,485	120,920	105,253	117,594	976,252	14,142	3,260	2,622	20,024		996,276
Total	3,899,949	772,842	4,100,042	1,072,941	9,845,774	1,621,972	395,221	370,007	2,387,200	99,734	12,332,708
Less: Expenses included in revenues on statement of activities											
Cost of direct benefit to donors										(99,734)	(99,734)
Total Functional Expenses	$ 3,899,949	$ 772,842	$ 4,100,042	$ 1,072,941	$ 9,845,774	$ 1,621,972	$ 395,221	$ 370,007	$ 2,387,200	$ -	$ 12,232,974
Percentage of Total Expenses	31.88%	6.32%	33.52%	8.77%	80.49%	13.26%	3.23%	3.02%	19.51%		100.00%

The accompanying notes are an integral part of this statement.

MCGAW YMCA
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED AUGUST 31, 2019

						Supporting Services					
	Membership and Programs	Residence	Children's Center	Camp Echo	Total Program Services	Management and General	Fundraising	Marketing	Total Supporting Services	Cost of Direct Benefit to Donors	Total Expenses
Wages and salaries	$ 2,298,993	$ 442,524	$ 2,821,706	$ 871,743	$ 6,434,966	$ 807,728	$ 334,823	$ 130,842	$ 1,273,393	$ -	$ 7,708,359
Employee benefits	453,139	124,849	793,102	157,681	1,528,771	214,332	79,029	28,568	321,929		1,850,700
Independent contractors	87,595	553	30,784	19,310	138,242	694			694		138,936
Outside consultants and professional services		10,000		750	10,750	67,669	58,928	57,176	183,773		194,523
Program supplies	90,405	39,119	380,928	493,536	1,003,988						1,003,988
Administrative and office support	10,481	4,017	14,770	6,636	35,904	22,557	1,456	1,204	25,217	540	61,661
System support and maintenance	72,532	18,276	47,564	16,254	154,626	98,064	32,052	17,984	148,100		302,726
Building maintenance and supplies	284,008	123,990	139,749	79,982	627,729	4,480	2,116	1,337	7,933		635,662
Facility rental - Note 15	29,287	6,498	334,896	2,682	373,363	4,545	1,529	2,498	8,572		381,935
Promotion and advertising	2,241	143	684	366	3,434		3,212	159,444	162,656		166,090
Fundraising expenses							17,257	6,601	23,858	111,866	135,724
Development and learning	2,942	4,309	10,162	11,129	28,542	22,391	5,907	173	28,471		57,013
Staff and volunteer leadership meetings	7,464	1,494	12,614	7,367	28,939	18,169	1,475	280	19,924		48,863
Staff travel and meal	1,505	3,484	5,071	11,327	21,387	6,168	2,702	720	9,590		30,977
Dues and subscriptions - Note 17	108,105	22,001	72,684	39,842	242,632	6,288	4,214	368	10,870		253,502
Postage and mailing services	79		7	5,786	5,872	4,800	250	14,356	19,406		25,278
Telephone and internet access fees	34,007	9,177	28,286	14,147	85,617	7,643	665	1,078	9,386		95,003
Utilities	276,389	86,308	42,849	58,396	463,942	4,371	2,064	1,304	7,739		471,681
Vehicle rental and expenses	1,415		24,214	181,642	207,271						207,271
Property and liability insurance	81,105	2,632		20,873	104,610	133	63	40	236		104,846
Bank fees						260,335	5,735		266,070		266,070
Mortgage interest	146,987				146,987						146,987
License and taxes	2,806	4,890		15,157	22,853	7,218	6	4	7,228		30,081
Bad debt for program						55,054			55,054		55,054
Total Expenses Before Depreciation and Amortization Expense	3,991,485	904,264	4,760,070	2,014,606	11,670,425	1,612,639	553,483	423,977	2,590,099	112,406	14,372,930
Depreciation and Amortization Expenses - Note 7	678,379	120,730	123,787	133,605	1,056,501	13,501	3,464	3,771	20,736		1,077,237
Total	4,669,864	1,024,994	4,883,857	2,148,211	12,726,926	1,626,140	556,947	427,748	2,610,835	112,406	15,450,167
Less: Expenses included in revenues on statement of activities											
Cost of direct benefit to donors										(112,406)	(112,406)
Total Functional Expenses	$ 4,669,864	$ 1,024,994	$ 4,883,857	$ 2,148,211	$ 12,726,926	$ 1,626,140	$ 556,947	$ 427,748	$ 2,610,835	$ -	$ 15,337,761
Percentage of Total Expenses	30.45%	6.68%	31.84%	14.01%	82.98%	10.60%	3.63%	2.79%	17.02%		100.00%

The accompanying notes are an integral part of this statement.

MCGAW YMCA
CONSOLIDATED STATEMENT OF CASH FLOWS
YEARS ENDED AUGUST 31, 2020 AND 2019

	2020	2019
Cash Flows from Operating Activities		
Change in net assets	$ (239,877)	$ 552,721
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Loss on abandonment of website development project		57,627
Loss on disposition of property and equipment	9,492	
Depreciation and amortization	996,276	1,077,237
Realized/unrealized net gains on investments	(299,971)	(82,047)
Change in fair value of derivative	17	4,402
Increase (decrease) in allowance for uncollectible receivables and pledges	72,402	(13,595)
Proceeds from contributions restricted in perpetuity		(100,000)
Net (increase) decrease in assets		
Accounts receivable	74,338	(67,295)
Inventory	61	1,999
Pledges receivable	309,266	118,026
Prepaid expenses	54,025	(36,032)
Beneficial interest in lead trust	58,925	4,108
Net increase (decrease) in liabilities		
Accounts payable and other accrued expenses	(205,460)	136,131
Accrued wages and payroll taxes	128,026	(7,291)
Accrued vacation	65,428	9,733
Deferred program and camp fee revenue	209,042	31,893
Deferred membership dues	(26,966)	(8,921)
Funds held - YMCA sponsored groups	(1,214)	496
Net Cash Provided by Operating Activities	1,203,810	1,679,192
Cash Flows from Investing Activities		
Purchases of property and equipment	(362,580)	(208,062)
Proceeds from sale of property and equipment	6,831	
Proceeds from sales of investments	647,168	14,243
Purchases of investments	(208,563)	(340,221)
Net Cash Provided by (Used for) Investing Activities	82,856	(534,040)
Cash Flows from Financing Activities		
Principal payments on mortgage payable		(400,000)
Proceeds from permanently restricted contributions		100,000
Principal payments on truck loan	(1,503)	
Principal payments on capital lease obligations	(157,581)	(106,764)
Proceeds from loan payable, Paycheck Protection Program	1,751,343	
Net Cash Provided by (Used for) Financing Activities	1,592,259	(406,764)
Net Increase in Cash and Cash Equivalents	2,878,925	738,388
Cash and Cash Equivalents		
Beginning of year	1,264,534	526,146
End of year	$ 4,143,459	$ 1,264,534
Supplemental Disclosures of Cash Flow Information		
Cash paid for interest	$ 89,399	$ 172,359

Supplemental Disclosure of Noncash Financing and Investing Activities - see Note 10

The accompanying notes are an integral part of this statement.

1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities and Organization

Founded in 1885, the McGaw YMCA (the Association), located in Evanston, Illinois, is a leading cause-driven charitable organization serving the needs of the Evanston community. Originally created to "promote mental, moral, physical and social welfare", we have remained true to the spirit of that mission as “an open, charitable, membership association that promotes growth in spirit, mind and body” through programs and services that have continued to expand to better serve everyone in our diverse community as well as surrounding communities.

Our programs are designed to focus on youth development, healthy living and social responsibility. In order to make the benefits of our programs and services affordable to the entire community, we have created “Membership for All,” which provides sliding scale membership and program fees based on household income adjusted for the number of individuals in the household. In addition, we provide scholarships, camperships and program subsidies for early childhood education, day and resident camp, tutoring and mentoring programs, and for low and very low-income resident members. An average of 9,900 members and another 1,900 community participants enjoy health and wellness through a fully equipped health and wellness center, enhanced training options and targeted programs for all age groups, an aquatic program that includes swim teams and swim lessons in our two pools and throughout the community as a partner with Evanston Swims. We provide year-round educational programs in a standalone Children’s Center with 21 classrooms for infants through school age in addition to 5 classrooms at the Foster Reading Center for Head Start and Afterschool programs in the underserved fifth ward of Evanston. Due to COVID-19 operating restrictions, the Children’s center had state mandated closures and reduced operating capacity beginning in March 2020. In 2015 we created the MetaMedia program, a state of the art, connected learning, free digital media lab and makers space open exclusively to middle school youth. For nearly a century, we have run our summer resident camp in Fremont, Michigan. Due to COVID-19 operating restrictions, Camp Echo created innovative programs for families serving 570 family campers over the summer. Finally, as part of our commitment to social responsibility, we continue to successfully run our resident member program that provides safe, affordable SRO (single room occupancy) housing to over 170 men annually.

Basis of Consolidation

The financial statements of the Association and the YMCA Camp Echo Corporation have been consolidated in accordance with the FASB provisions for consolidation. All inter-organizational transactions have been eliminated in consolidation. Substantially all of the revenues and assets are associated with the Association.

1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Basis of Accounting

The accompanying consolidated financial statements have been prepared using the accrual basis of accounting. Using this method, revenues and expenses are recognized in accordance with accounting principles generally accepted in the United States of America.

Basis of Presentation

Information regarding the financial position and activities of the Association are reported in two classes of net assets: net assets without donor restrictions and net assets with donor restrictions, based on the existence or absence of donor imposed restrictions. Accordingly, net assets of the Association and changes therein are classified and reported as follows:

- Without donor restrictions - Net assets without donor restrictions are not subject to donor-imposed stipulations, but may be subject to board designations. They include all activities of the Association, except for those amounts that are restricted by external donors.

- With donor restrictions - Net assets with donor restrictions are subject to donor-imposed stipulations that can be removed through the passage of time (time restrictions) or actions of the Association (purpose restrictions). Net assets with donor restrictions may also be imposed by donors who require that the principal of these classes of net assets be invested in perpetuity and only the investment income be expended.

Use of Estimates

The preparation of consolidated 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 revenue and expense during the reporting period. Actual results may differ from those estimates.

Cash Equivalents

Cash and cash equivalents are comprised of petty cash, cash in banks and money market funds. Money market funds are recorded at cost, which approximates fair value based on quoted market prices.

1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Accounts Receivable

Accounts receivable consisting of program fees are reported at net realizable value, which is the amount management expects to collect from balances outstanding at year-end. Based on management's assessment of the credit history of individuals having outstanding balances and taking into consideration the age of past due accounts, an assessment of the ability to pay, as well as current relationships, management has identified receivables that may not be collectible and accordingly has provided for these receivables in an allowance for doubtful accounts in the amount of approximately $97,000 and $9,000 at August 31, 2020 and 2019, respectively.

Investments

Investments consist of marketable securities that are stated at fair value based on quoted market prices. Unrealized gains or losses on such securities are based on the change in fair value of the assets from the beginning to the end of the fiscal year. Realized gains or losses are based on the change in fair value of the assets from the beginning of the fiscal year to the date of sale.

Investments are exposed to risks in the market. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the values of investments will occur in the near-term and that such changes could materially affect the Association and the amounts reported in the consolidated statements of activities.

Derivative Financial Instruments

The FASB Codification related to derivatives and hedging establishes accounting and reporting standards for derivative instruments. The standard requires an entity to recognize all derivatives as either assets or liabilities, and measure those instruments at fair value. Derivatives that do not qualify as a hedge must be adjusted to fair value in earnings. If a derivative does qualify as a hedge under the standards, changes in the fair value will either be offset against the change in fair value of the hedged assets or liabilities, or recognized in the consolidated statements of activities.

Property and Equipment

The Association capitalizes property and equipment purchases of $2,000 or more with an estimated useful life of two years or more. Depreciation and amortization, including assets under capital lease, are calculated using the straight-line method over the estimated useful lives of the assets or life of the lease. Major renewals and betterments, which extend the useful life of an asset, are capitalized while routine maintenance and repairs are expensed as incurred.

Gains or losses on dispositions of property and equipment are included in the consolidated statements of activities.

1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Property and Equipment - Continued

Description	Years
Building and building improvements	40
Vehicles, furniture and equipment	5 - 8
Computer hardware	3
Fitness equipment under capital lease	3 - 4
Computer software	3

Public Support and Pledges Receivable

Contributions are recognized when the donor makes a promise to give to the Association that is, in substance, unconditional. Promises to give, which are receivable over more than one year, are recorded at present value. The discounts on those amounts are computed using interest rates applicable to the years in which the promises are received. Contribution and grant revenue is recognized in the period in which the grant becomes unconditional. Contributions and grants are recorded as restricted support if they are received with donor stipulations that limit the use of the donated assets. Contributions with no specific donor restrictions are recorded as increases in net assets without donor restriction. When a restriction expires; that is, when a stipulated time restriction ends or purpose restriction is fulfilled, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from restrictions. Restrictions which are fulfilled in the same time period in which a contribution and grant is received are reported as increases to net assets without donor restrictions. Conditional promises to give are not included as support until the conditions are substantially met.

Management assesses the collectability of pledges receivable based on historical experience and has established an allowance for uncollectible pledges accordingly. When amounts are determined to be uncollectible they are written off and charged to bad debt loss, whereas a reduction of the allowance for uncollectible pledges is reflected as bad debt recapture.

In-Kind Support

The Association recognizes in-kind contributions as revenue in the period in which they are received if the fair market value is estimable. In addition, a significant amount of donated services are contributed to the Association by various individuals who volunteer their time and perform a variety of tasks that assist the Association with specific programs and various committee assignments. The Association estimates to have received more than 5,300 volunteer hours during 2020 and 12,000 during 2019 from approximately 400 volunteers in 2020 and 700 volunteers in 2019. The value of these services is not reflected in these consolidated financial statements because the criteria for recognition have not been satisfied.

Program Fees, Grants and Deferred Revenue

Program fees and grant revenues are recognized as revenue when earned. Certain organizations involved in exchange transactions may specify monies be used in a specific future period and, as such, they are initially recorded as deferred revenue, and are then recognized in the period for which they were designated.

1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Functional Allocation of Expenses

The costs of providing program and other activities have been summarized on a functional basis in the statement of activities. Expenses are charged to programs and supporting services based on both the direct assignment of costs and allocation of costs based on reasonable methods such as square footage and full-time equivalent. Certain costs have been allocated among program services and supporting services, as determined by management on an equitable basis.

The expenses that are allocated include the following:

Expense	Method of Allocation
Employee parking	Full time equivalent and usage
Building services	Square footage
Information technology	Full time equivalent and usage

Income Taxes

The Association is a nonprofit organization that has been granted an exemption from federal income taxes as a public charity under Section 501(c)(3) of the Internal Revenue Code for all business income related to its tax-exempt purpose. The Association had no unrelated business income during 2020 or 2019. The Association is similarly classified by the State of Illinois.

The Association files its forms 990 in the U.S. federal jurisdiction and the office of the state's attorney general for the State of Illinois.

Evaluation of Tax Positions

The financial statement effects of a tax position taken or expected to be taken are recognized in the consolidated financial statements when it is more likely than not, based on technical merits, that the position will be sustained upon examination. As of August 31, 2020 and 2019, the Association had no uncertain tax positions that qualify for recognition or disclosure in the consolidated financial statements.

Concentration of Credit Risk

The Association maintains cash and cash equivalents in bank deposit accounts, which, at times, may exceed federally insured limits. The Association has not experienced any losses in such accounts and believes they are not exposed to any significant credit risk on cash and cash equivalents.

1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Effects of Recently Issued Accounting Standards

In May 2014, the FASB issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers*, which requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The ASU will replace most existing revenue recognition guidance in accounting principles generally accepted in the United States of America when it becomes effective. In May 2020, the FASB approved a one year optional deferral of this standard, with a revised effective date for fiscal years beginning after December 15, 2019. The Association elected to defer the adoption until their year ending August 31, 2021. The standard permits the use of either the retrospective or modified retrospective (cumulative effect) transition method. Management is currently evaluating the impact this change in accounting standards will have on the consolidated financial statements and related disclosures and has not yet selected a transition method.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842).* This ASU requires a lessee to recognize a right-of-use asset and a lease liability under most operating leases in its balance sheet. In May 2020, the FASB approved a one year deferral of this standard for non-public entities, with a revised effective date for fiscal years beginning after December 15, 2021. The new standard must be adopted using a modified retrospective transition, and provides for certain practical expedients during the period of adoption. Transition will require application of the new guidance at the beginning of the earliest comparative period presented. Management is currently evaluating the impact this change in accounting standards will have on the consolidated financial statements and related disclosures.

The Association has adopted ASU No. 2018-08, Not-For-Profit Entities (Topic 958) Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made. The new guidance helps distinguish if grants and contracts with resource providers are exchange transactions or contributions. Once a transaction is deemed to be a contribution, the ASU also provides guidance to help determine when a contribution is conditional and evaluates the possibility that a condition will not be met is remote. Unconditional contributions are recognized immediately and classified as either net assets with or without donor restrictions, while conditional contributions received are accounted for as a liability until the barriers to entitlement are overcome, at which point the transaction is recognized as unconditional and classified as either net assets with or without restrictions. The adoption of this standard for the year ended August 31, 2020 did not result in a change to the accounting for the Association's revenue. Management believes the standard improves the usefulness and understandability of the Association's financial reporting.

Subsequent Events

The Association has evaluated subsequent events for potential recognition and/or disclosures through December 1, 2020, the date the consolidated financial statements were available to be issued.

2. LIQUIDITY

The Association had $4,995,861 and $2,397,311 of financial assets available to meet cash needs for general expenditures within one year of the statement of financial position at August 31, 2020 and 2019, respectively. None of these financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year from the statement of financial position. At August 31, 2019, the Association included board designated net assets of $639,512 in financial assets available for general expenditures, which were subject to self-imposed limits by action of the governing board, and require approval to be used for general expenditure. During August 31, 2020, these board designated funds were transferred from to general net assets without donor restrictions.

The table below presents financial assets available for general expenditure, within one year at August 31:

	2020	2019
Financial assets at year end:		
Cash and cash equivalents	$4,143,459	$1,264,534
Short-term investments	737,628	759,397
Accounts receivable	85,879	248,733
Pledges receivable - without donor restrictions due within one year	28,895	117,862
Distributions from beneficial assets held by others due within one year		6,785
Financial Assets Available to Meet General Expenditures Within One Year	$4,995,861	$2,397,311

The Association's goal is to maintain financial assets consisting of cash and short-term investments on hand to meet sixty days of operating expenditures. On average, sixty days of operating expenditures is approximately $1,889,000. Also, the Association strives to achieve YMCA of the USA benchmark standards for liquidity as measured by the months of cash and cash equivalents available metric, and the current ratio. The months of cash available ratio indicates how long the Association can operate with the existing cash at current expense levels. The Association had on average 5.3 months of cash available to meet current expenditures at August 31, 2020 which is above the YMCA of the USA benchmark of 2.0 months of cash. The Association received a PPP (Payroll Protection Program) loan which was equivalent to 1.9 months cash. The current ratio indicates the short-term solvency of the Association, or how easily the Association can pay its bills. A current ratio of 1.0 indicates that current asset balances are adequate to cover all of the Association's short-term obligations. The Association had a current ratio of 3.7 at August 31, 2020, assuming the mortgage is refinanced under substantially similar terms, indicating that current assets were 3.7 times larger than current liabilities at August 31, 2020, which is higher than the YMCA of the USA benchmark of 1.5.

2. LIQUIDITY - Continued

The Association structures its financial assets to be available for general expenditures, liabilities and other obligations due. In addition, as part of its liquidity management, the Association invests cash in excess of requirements in money market and investment accounts.

3. INVESTMENTS

Investments consist of the following at August 31:

	2020	2019
Equity index mutual funds		
Total international stock index-Admiral	$ 667,868	$ 675,121
Total stock market index-Admiral	1,586,828	1,639,899
Fixed income funds		
Inter-term invest - Gr Admiral	442,479	460,954
Short-term invest - Gr Admiral	295,149	298,419
Total international bond index-Admiral	367,266	386,955
Total bond market index-Admiral	736,124	772,997
Total Investments	$ 4,095,714	$ 4,234,345

4. PLEDGES RECEIVABLE

Pledges receivable represent unconditional promises to give.

Pledges at August 31, consist of items receivable in:

	2020	2019
Less than one year	$ 315,612	$ 515,121
One to five years	83,250	206,000
	398,862	721,121
Less: Discount to net present value	6,796	19,788
Less: Allowance for uncollectible pledges	19,943	36,057
Net pledges receivable	$ 372,123	$ 665,276

The discount rate used in determining the net present value of pledges receivable is 4%.

5. CHARITABLE LEAD TRUST

During 2011, a donor established a charitable lead trust naming the Association as a lead beneficiary. Under the terms of the agreement, the Association was to receive $7,142 per year for 19 years commencing in the year ended June 30, 2012, $5,142 of which was considered board designated for the Strengthening Community Fund. The present value of the future payments to be received were estimated to be $58,925 at August 31, 2019, using a 4% discount rate and were restricted for time. At August 31, 2019, the discount was $15,705 and the allowance for doubtful accounts was $3,928. Upon liquidation of the trust during the year ended August 31, 2020, the Association received $258,509, of which $179,951 was recorded as a contribution on the consolidated statement of activities.

6. FAIR VALUE MEASUREMENTS

The FASB Codification provides a framework for measuring fair value using a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Association 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.

6. FAIR VALUE MEASUREMENTS – Continued

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 August 31, 2020 and 2019.

Level 1 Fair Value Measurements

The fair values of equity and fixed income mutual funds are based on quoted market prices, when available.

Level 2 Fair Value Measurements

The beneficial interest in a charitable lead trust was not actively traded. The fair value of the beneficial interest in the charitable lead trust was determined by discounting the related cash flows based on current yields of similar instruments with comparable durations. The fair value of the interest rate cap derivative is provided to the Association by the bank and is based on the bank's internal proprietary pricing models and estimates, certain assumptions, and available market data.

Fair values of assets measured on a recurring basis at August 31, 2020 are as follows:

	Fair Value	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Investments	$ 4,095,714	$ 4,095,714	$ -
Interest rate cap derivative	335		335
Total Assets	$ 4,096,049	$ 4,095,714	$ 335

6. FAIR VALUE MEASUREMENTS - Continued

Fair values of assets measured on a recurring basis at August 31, 2019 are as follows:

	Fair Value	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Investments	$ 4,234,345	$ 4,234,345	$ -
Beneficial interest in charitable lead trust	58,925		58,925
Interest rate cap derivative	352		352
Total Assets	$ 4,293,622	$ 4,234,345	$ 59,277

7. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at August 31:

	2020	2019
Land	$ 1,142,512	$ 1,142,512
Building	2,610,099	2,610,099
Building improvements	21,794,754	21,761,839
Furniture and equipment	4,449,252	4,236,537
Computer hardware	292,855	299,531
Computer software	367,439	362,647
Vehicles	238,243	238,243
Construction in progress	562,182	540,657
	31,457,336	31,192,065
Accumulated depreciation and amortization	17,462,203	16,553,129
Net Property and Equipment	$13,995,133	$ 14,638,936
Depreciation and Amortization Expense	$ 996,276	$ 1,077,237
Loss on abandonment of website development project	$ -	$ 57,627
Loss on disposition of property and equipment	$ 9,492	$ -

7. PROPERTY AND EQUIPMENT - Continued

During 2019, the Association abandoned a website development project in the amount of $57,627 which is included in promotion and advertising expense in the consolidated statement of functional expense.

8. MORTGAGE PAYABLE

On May 29, 2014 the Association entered into two 7 year mortgages with a bank totaling $5,600,000, at 1.3% over the variable rate index (LIBOR Rate), secured by the Association owned real property in Evanston, Illinois. The amounts borrowed under these promissory notes were $4,592,000 and $1,008,000. The first required principal payments on these notes totaling $100,000 was paid in June, 2014. Per an agreement dated July 22, 2014, the terms of the original mortgage were slightly modified and annual principal payments of $400,000 are due on June 15 commencing June 15, 2015 and ending with a balloon payment of $3,097,109 on June 15, 2021. Interest payments are due monthly. Due to COVID-19, the Association received two 90-day mortgage deferrals from the lender for the period April through September 2020. The scheduled principal and interest payments of $400,000 and $27,815, respectively, were deferred until maturity. The balloon payment due on June 15, 2021 will include the deferred principal and interest amounts. The interest rates at August 31, 2020 and 2019 were 1.4564%, and 3.4120%, respectively. The loan agreements require a financial ratio be maintained. As of August 31, 2020, the Association was in compliance with this requirement.

In November 2010, the Association entered into an interest rate cap agreement (Cap) with a notional principal amount of $5,000,000. The Association has a variable mortgage rate of LIBOR plus 1.3 percentage points over the index. The interest rate swap agreement caps the borrower's LIBOR rate at 4.28% (3% CAP rate with 70% floating rate option). The one-time payment of $188,000 for the Cap agreement was recorded as an asset on the consolidated statements of financial position during the year ended June 30, 2011. The Association's objective for using this instrument is to protect its cash flows from fluctuations in interest rates. This asset is subsequently measured at fair value with the resulting changes in fair value of the derivative, as provided by the bank, recorded to bond/mortgage interest, amortization and maintenance costs on the consolidated statement of functional expenses. The decreases in fair value of the Cap for the years ended August 31, 2020 and 2019 were $17 and $4,402, respectively.

9. LOAN PAYABLE, PAYCHECK PROTECTION PROGRAM

On April 29, 2020, the Association entered into an agreement with a lender and the Small Business Administration to obtain a Paycheck Protection Program (PPP) loan offered as a result of the Coronavirus Aid, Relief and Economic Security Act (CARES). The PPP loan is intended to help certain small businesses and nonprofits stay afloat during the COVID-19 pandemic. The loan in the amount of $1,751,343 provides for interest at a rate of 1% and matures on April 29, 2025. The PPP loan is eligible for forgiveness if the Association meets certain criteria including utilization of the loan for eligible expenses and maintaining or restoring employee counts and salary levels to pre-pandemic amounts. The Association has adopted the policy to record the PPP loan under the guidance of FASB ASC 470 *Debt*. The Association expects a substantial portion of the loan to be forgiven during the year ending August 31, 2021. The amount of the loan forgiven during the year ending August 31, 2021 will be recognized as contribution revenue upon notification of forgiveness.

10. CAPITAL LEASES

The Association has financed equipment under various capital lease agreements. The asset and liability accounts for the capital leases are recorded at the fair value of the assets. The debt obligation represents the present value of the balance due in the future years for the leases.

The Association acquired $4,715 and $385,396 of property and equipment through the assumption of a capital lease during the years ended August 31, 2020 and 2019. These transactions have been treated as noncash financing and investing activities in the consolidated statement of cash flows.

The following is the schedule of the future minimum lease payments under the capital leases, by years, and the present value of those payments:

Year Ending August 31,	Amount
2021	$ 148,410
2022	130,330
2023	11,143
Total minimum lease payments	289,883
Less: Amount representing interest	15,072
Present value of minimum lease payments	274,811
Less: Portion due within one year	137,607
Amounts Due Subsequent to One Year	$ 137,204

10. CAPITAL LEASES – Continued

The composition of the net book value of assets financed under capital leases was as follows at August 31:

	2020	2019
Computer hardware	$ 124,370	$ 119,655
Furniture and equipment	358,767	286,896
Building improvements	189,470	189,470
Vehicles	3,855	3,855
Construction in progress		71,871
	676,462	671,747
Less: Accumulated depreciation	341,245	255,705
Net Book Value	$ 335,217	$ 416,042

11. NET ASSETS WITHOUT DONOR RESTRICTIONS - BOARD DESIGNATED NET ASSETS

During the year ended August 31, 2020, the Board of Directors approved a transfer of all board designated net assets to general net assets without donor restrictions. As of August 31, 2019, board designated net assets consisted of the following:

	Amount
Burning Triangle Fund for Camp Echo general projects	$ 2,000
Farley charitable lead trust - Strengthening Community Fund	41,140
Ken Eckholt Testamentary Gift for Camp Echo scholarships	96,750
Strengthening Community Fund	376,873
Tom Hebbard Memorial Fund for residence program	83,499
W.F.G. Fund for youth programs	39,250
Total Board Designated Net Assets	$ 639,512

12. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at August 31 include the following:

	2020	2019
Time restricted:		
Pledges receivable	$ 94,611	$ 273,955
Farley charitable lead trust -		
Contribution receivable without donor restrictions		16,502
Purpose restricted:		
Accumulated endowment earnings	265,942	131,985
Camp Echo	1,293,271	996,277
Carlyle E. and Elizabeth W. Anderson		
Fund, general purpose	18,956	18,956
Farley charitable lead trust -		
Strenthening Community Fund		42,424
MetaMedia Sports/Court Renovation Project		23,999
Residence Renovation Project	111,658	176,644
Robert Ingram Leitch Memorial Fund for Camp Echo		
scholarships, membership and youth programs	50,000	50,000
Restricted in Perpetuity:		
Brenner Runs Through It Scholarship Endowment		
Fund for Camp Echo	55,840	55,840
Davee Foundation Endowment Fund for		
Camp Echo scholarships	1,000,000	1,000,000
Davee Foundation Endowment Fund for		
Camp Echo equipment	100,000	100,000
Davee Foundation Endowment Fund for		
residence scholarship	1,000,000	1,000,000
Dennis Newton Endowment Fund for Camp		
Echo scholarships	61,067	61,067
James D. Vail Endowment Fund for youth programs	147,000	147,000
Kristin Kent Nature Trail Fund for Camp Echo		
trail maintenance	25,200	25,200
Richard C. Romano Endowment Fund		
for youth and family programs	102,016	102,016
Roth Holtz Fund for youth programs	9,425	9,425
Total Net Assets With Donor Restrictions	$4,334,986	$4,231,290

12. NET ASSETS WITH DONOR RESTRICTIONS - Continued

The principal of $50,000 for the Robert Ingram Leitch Memorial Fund was donated on October 13, 1972. The principal is restricted for 50 years under the terms of Mr. Leitch's will. Investment earnings will be distributed to support youth programs annually.

Certain pledges receivable are restricted for specific purposes by the donors and the remaining are time restricted. Camp Echo amounts are restricted for capital expenditures and for scholarship purposes.

13. DONOR DESIGNATED ENDOWMENT FUNDS

The Association adopted the Codification standards for "Endowments of Not-for-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act, and Enhanced Disclosures for All Endowment Funds". The Codification provides guidance as well as additional disclosures that are required for an organization's endowment funds (both donor-restricted endowment funds and board-designated endowment funds) whether or not the organization is subject to UPMIFA.

As the State of Illinois enacted UPMIFA effective June 30, 2009, the provisions of which apply to endowment funds existing on or established after that date, the Board of Directors determined that the majority of the Association's net assets restricted in perpetuity meet the definition of endowment funds under UPMIFA. Based on the Association's interpretation of UPMIFA, Association management reviewed all of its endowment funds, and created a document stating the "purpose" for each fund and the board reviewed and approved all fund designations.

In accordance with Illinois UPMIFA, the Association considers the following factors in making a determination to appropriate or accumulate earning on donor-restricted endowment funds:

1. The duration and preservation of the fund;
2. The purpose of the Association and the donor-restricted endowment fund;
3. General economic conditions;
4. The possible effect of inflation and deflation;
5. The expected total return from income and the appreciation of investments;
6. Other resources of the Association; and
7. The investment policies of the Association.

13. DONOR DESIGNATED ENDOWMENT FUNDS - Continued

Endowment Investment and Spending Policies

The Association has adopted investment and spending polices, approved by the Board of Directors, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of these endowment assets over the long-term. The Association's spending and investment policies work together to achieve this objective. The investment policy establishes an achievable return objective through diversification of asset classes. The current long-term return objective is to return 4%, net of investment fees. Actual returns in any given year may vary from this amount. To satisfy its long-term rate-of-return objectives, the Association relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Association targets a diversified asset allocation that places an emphasis on U.S. Government bonds, corporate bonds, money market, and equity-based investments to achieve its long-term return objectives within prudent risk parameters.

The spending policy calculates the amount of money annually distributed from the Association's various endowed funds to support the mission of the Association. The current policy is to transfer to the Operating account an annual average of 4% of funds invested in the Association's investment account. The investment account includes both endowed and non-endowed funds. For each fiscal year's budget, the Board shall authorize for the following fiscal year a fund payout within the range of 0% to 5% based on a March 31st evaluation. The portion of this income related to donor designated endowment assets are allocated directly to fund specified program activities each year. Over the long-term, the Association expects its current spending policy to allow its investment assets to grow. This is consistent with the Association's objective to maintain the purchasing power of investment assets as well as to provide additional real growth through investment return.

Endowment net asset composition by type of fund as of August 31 are as follows:

	2020	2019
Donor-Restricted Endowment Funds	$ 2,766,490	$ 2,632,533

13. DONOR DESIGNATED ENDOWMENT FUNDS - Continued

Changes in endowment net assets for the years ended August 31, 2020 and 2019 are as follows:

	2020	2019
Endowment Net Assets, Beginning of Year	$ 2,632,533	$ 2,526,111
Contributions		100,000
Investment income	50,838	53,992
Net apppreciation	183,141	48,452
Amounts appropriated for expenditure	(100,022)	(96,022)
Endowment Net Assets, End of Year	$ 2,766,490	$ 2,632,533

14. FEE ASSISTANCE

Fee assistance by program consists of the following:

	2020	2019
Membership and program fees	$ 572,486	$ 738,176
Children's center fees	411,814	694,688
Camp Echo fees	42,696	309,177
Residence fees	60,652	64,193
Total Fee Assistance	$ 1,087,648	$ 1,806,234

15. LEASED FACILITIES

The Association leases space for day care/child care center, recreational programs and office and meeting space at St. Mary's Parish in Evanston. The initial annual base rent of the lease was $180,000 with a 1% annual increase over the prior year. The lease was extended through July 31, 2015 at an annual base rent of $216,000 commencing June 1, 2010, with an annual escalation of 2% and $7,200 annually for designated parking spots with a $600 annual escalation. On July 30, 2015, the Association and the Catholic Bishop of Chicago signed the First Amendment to the lease agreement extending the lease for another five year period ending July 31, 2020. The Association is currently negotiating a five-year lease extension with the Catholic Bishop of Chicago. Until the lease amendment is fully executed, the Association is paying $20,324 monthly.

15. LEASED FACILITIES - Continued

The Association had a three year and two month lease agreement for office space with Family Focus with an annual escalation clause which expired on June 30, 2020. The lease is currently under negotiation. Monthly rental payments ranged over the life of the lease from $3,508 to $4,035.

The Association has a month-to-month lease contract with CH Ventures, LLC to utilize a parking lot for $3,920/month. Rent expense incurred during the years ended August 31, 2020 and 2019 was $47,040.

Facility rental expense, inclusive of other occupancy costs, was $387,464 and $381,935 for the years ended August 31, 2020 and 2019, respectively.

16. RETIREMENT PLAN

The Association participates in the YMCA Retirement Fund Retirement Plan which is a defined contribution, money purchase, church plan that is intended to satisfy the qualification requirements of Section 401(a) of the Internal Revenue Code of 1986, as amended and The YMCA Retirement Fund Tax-Deferred Savings Plan which is a retirement income account plan as defined in section 403(b)(9) of the code. Both Plans are sponsored by The Young Men's Christian Association Retirement Fund (Fund). The Fund is a not-for-profit, tax-exempt pension fund incorporated in the State of New York (1922) organized and operated for the purpose of providing retirement and other benefits for employees of YMCAs through-out the United States. The plans are operated as church pension plans. Participation is available to all duly organized and reorganized YMCAs and their eligible employees. As a defined contribution plan, the Retirement Plan and Tax-Deferred Savings Plan have no unfunded benefit obligations.

In accordance with the current agreement, contributions for the YMCA Retirement Fund Retirement Plan is ten percent of the participating employees' salary. These amounts are paid by the Association. Total contributions charged to retirement costs aggregated $407,774 and $424,755 for the years ended August 31, 2020 and 2019, respectively, of which $22,170 was unpaid at August 31, 2019.

17. RELATED PARTY

The Association pays dues to YMCA of the USA. Dues paid to YMCA of the USA for the years ended August 31, 2020 and 2019 were $83,746 and $223,012, respectively.

The Association received contributions from management and board members for the years ended August 31, 2020 and 2019 in the amounts of $121,812 and $49,192, respectively.

18. IMPACT OF COVID-19

In March 2020, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The extent of the impact of COVID-19 on operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on clients, donors, employees and vendors all of which are uncertain and cannot be predicted. The Association closed its facility to all with the exception of residents and essential staff from mid-March until July 2020. Beginning in July 2020, the Association resumed operations following capacity restrictions mandated by state authorities. The extent of the financial impact of the pandemic on the Association cannot be reasonably estimated at this time.

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