

THE AMERICAN PSYCHOANALYTIC ASSOCIATION, INC.

FINANCIAL STATEMENTS

AUGUST 31, 2021 AND 2020



INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
The American Psychoanalytic Association, Inc.

We have audited the accompanying financial statements of The American Psychoanalytic Association, Inc. (a nonprofit corporation), which comprise the statements of financial position as of August 31, 2021 and 2020, 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.

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The American Psychoanalytic Association, Inc. as of August 31, 2021 and 2020, 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.

Emphasis of Matter

As discussed in Note 14 to the financial statements, in March 2020, the United States of America declared the global pandemic novel coronavirus COVID-19 outbreak a national emergency. Our opinion is not modified with respect to this matter.

Lotz + Carr, LLP

New York, New York
April 12, 2022

THE AMERICAN PSYCHOANALYTIC ASSOCIATION, INC.

STATEMENTS OF FINANCIAL POSITION

AUGUST 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
Assets		
Cash and cash equivalents (Notes 1b and 11)	\$ 543,594	\$ 274,436
Membership dues and subscriptions receivable, net of allowance for doubtful accounts of \$15,000 (Note 1i)	223,723	59,286
Royalties and other receivables	43,435	29,448
Prepaid expenses and other current assets (Note 12b)	141,917	59,247
Loans receivable, net of allowance for doubtful accounts of \$33,000 (Notes 1d and 4)	78,175	89,074
Investments (Notes 1e and 5)	7,330,420	6,331,018
Property and equipment, at cost, net of accumulated depreciation (Notes 1f and 7)	<u>113,690</u>	<u>33,714</u>
Total Assets	<u>\$8,474,954</u>	<u>\$6,876,223</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 107,729	\$ 113,829
Deferred dues and subscription revenue (Note 1g)	430,966	383,521
Accrued pension expense (Note 8)	587,688	989,313
Loans Payable-Paycheck Protection Program (Note 10)	<u>206,602</u>	<u>277,637</u>
Total Liabilities	<u>1,332,985</u>	<u>1,764,300</u>
Commitments and Contingency (Notes 8 , 9 and 14)		
Net Assets (Note 3)		
Without Donor Restrictions		
Operating	1,525,203	(124,375)
Related to accrued pension expense	(587,688)	(989,313)
American Psychoanalytic Foundation Committee fund	1,011,317	849,404
Board designated reserve fund	<u>4,442,201</u>	<u>4,622,974</u>
Total Without Donor Restrictions	6,391,033	4,358,690
With Donor Restrictions	<u>750,936</u>	<u>753,233</u>
Total Net Assets	<u>7,141,969</u>	<u>5,111,923</u>
Total Liabilities and Net Assets	<u>\$8,474,954</u>	<u>\$6,876,223</u>

See notes to financial statements.

THE AMERICAN PSYCHOANALYTIC ASSOCIATION, INC.

STATEMENTS OF ACTIVITIES

YEARS ENDED AUGUST 31, 2021 AND 2020

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Changes in Net Assets						
Operating Activities						
Revenues and Support						
Membership dues	\$ 1,018,138	\$ -	\$1,018,138	\$ 1,004,745	\$ -	\$1,004,745
Institute fees	58,000	-	58,000	60,000	-	60,000
Society assessments	21,385	-	21,385	30,630	-	30,630
Joint sponsorship fees	22,075	-	22,075	23,375	-	23,375
Application and certification fees	1,550	-	1,550	1,350	-	1,350
Semi-annual meetings	453,341	-	453,341	644,394	-	644,394
Journal subscriptions	401,429	-	401,429	368,577	-	368,577
Royalties	13,551	-	13,551	16,871	-	16,871
Other revenue (Note 13)	60,747	-	60,747	57,302	-	57,302
Investment return (Note 5)	185,000	32,909	217,909	185,000	16,156	201,156
Grant from affiliate (Note 12a)	440,000	-	440,000	440,000	-	440,000
Contributions and bequests	129,496	29,281	158,777	106,206	37,758	143,964
Loan forgiveness - Paycheck Protection Program (Note 10)	277,637	-	277,637	-	-	-
Appropriation to operations	-	-	-	12,514	(12,514)	-
Net assets released from restrictions (Note 3c)	64,487	(64,487)	-	112,958	(112,958)	-
Total Revenues and Support	3,146,836	(2,297)	3,144,539	3,063,922	(71,558)	2,992,364
Expenses						
Program Services						
Semi-annual meetings	510,378	-	510,378	746,517	-	746,517
Journal	221,506	-	221,506	234,709	-	234,709
Newsletter	62,111	-	62,111	46,859	-	46,859
Committees of the Executive Council	150,310	-	150,310	160,171	-	160,171
Committees of the Corporation	566,487	-	566,487	840,004	-	840,004
Total Program Services	1,510,792	-	1,510,792	2,028,260	-	2,028,260
Supporting Services						
Management and general	573,325	-	573,325	595,729	-	595,729
Membership support	365,512	-	365,512	357,710	-	357,710
Total Supporting Services	938,837	-	938,837	953,439	-	953,439
Total Expenses	2,449,629	-	2,449,629	2,981,699	-	2,981,699
Increase (Decrease) in Net Assets from Operating Activities	697,207	(2,297)	694,910	82,223	(71,558)	10,665
Non-Operating Activity						
Investment return (Note 5)	981,069	-	981,069	306,626	-	306,626
Pension-related changes other than periodic pension cost (Note 8)	354,067	-	354,067	(173,464)	-	(173,464)
Total Non-Operating Activity	1,335,136	-	1,335,136	133,162	-	133,162
Increase (decrease) in net assets	2,032,343	(2,297)	2,030,046	215,385	(71,558)	143,827
Net assets, beginning of year	4,358,690	753,233	5,111,923	4,143,305	824,791	4,968,096
Net Assets, End of Year	\$ 6,391,033	\$ 750,936	\$7,141,969	\$ 4,358,690	\$ 753,233	\$5,111,923

See notes to financial statements.

THE AMERICAN PSYCHOANALYTIC ASSOCIATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED AUGUST 31, 2021 WITH COMPARATIVE TOTALS FOR 2020

	2021						2020			Total Expenses	Total Expenses
	Program Services			Supporting Services			Total Expenses	Total Expenses			
	Semi-Annual Meetings	Journal	Newsletter	Committees of the Executive Council	Committees of the Corporation	Total			Management and General		
Staff Compensation and Related											
Staff salaries	\$ 354,194	\$ 12,851	\$ 8,739	\$ 83,565	\$ 215,633	\$ 674,982	\$ 150,311	\$ 233,163	\$383,474	\$1,058,456	\$1,178,808
Payroll taxes	28,251	955	609	5,563	17,224	52,602	12,458	18,397	30,855	83,457	88,450
Health insurance	30,955	1,737	873	9,145	27,041	69,751	22,557	42,005	64,562	134,313	151,084
Pension expense	25,244	934	596	6,263	13,699	46,736	22,260	16,615	38,875	85,611	112,670
Total Staff Compensation and Related	438,644	16,477	10,817	104,536	273,597	844,071	207,586	310,180	517,766	1,361,837	1,531,012
Occupancy											
Condominium maintenance	5,645	2,488	2,392	4,784	37,316	52,625	38,273	4,784	43,057	95,682	94,217
Condominium depreciation	73	61	98	48	1,065	1,345	980	123	1,103	2,448	1,974
Office cleaning and maintenance	1,364	568	1,250	455	8,864	12,501	9,091	1,136	10,227	22,728	23,655
Electricity	330	162	246	227	2,524	3,489	2,588	395	2,983	6,472	9,364
Total Occupancy	7,412	3,279	3,986	5,514	49,769	69,960	50,932	6,438	57,370	127,330	129,210
Professional and Consulting											
Legal	-	-	-	-	17,871	17,871	22,726	-	22,726	40,597	61,591
Accounting	-	-	-	-	-	-	29,161	-	29,161	29,161	31,040
Actuarial	-	-	-	-	-	-	12,052	-	12,052	12,052	13,297
Computer	1,160	-	-	-	-	1,160	43,064	5,741	48,805	49,965	58,855
Government relations	-	-	-	-	30,000	30,000	5,206	-	5,206	35,206	75,200
Non-legal consulting	33,008	-	-	2,160	61,290	96,458	22,549	-	22,549	119,007	52,038
Total Professional and Consulting	34,168	-	-	2,160	109,161	145,489	134,758	5,741	140,499	285,988	292,021
Other Expenses											
Advertising	155	-	-	-	399	554	-	-	-	554	1,189
Insurance	-	-	-	-	-	-	36,887	-	36,887	36,887	38,460
Postage	347	5	4,218	-	211	4,781	390	2,019	2,409	7,190	7,782
Telephone and hosting	748	-	-	-	-	748	12,388	39,356	51,744	52,492	19,551
Messenger, freight and rail	-	-	79	98	-	177	-	283	283	460	2,748
Printing, publishing and duplication	49	92,059	18,173	-	10,575	120,856	-	42	42	120,898	141,252
Designing brochures, publications, etc.	2,318	-	-	-	550	2,868	-	-	-	2,868	5,378
Mailing list, roster and about Psy	-	-	-	-	133	133	-	-	-	133	444
Mailing house charge	-	-	947	-	400	1,347	10,867	670	11,537	12,884	17,441
Equipment rental	-	-	-	-	315	315	19,722	-	19,722	20,037	164,944
Equipment maintenance	-	-	-	-	-	-	481	-	481	481	-
Stationery and supplies	223	-	151	-	671	1,045	10,782	783	11,565	12,610	9,629
Dues and subscriptions	7,571	86	-	380	22,327	30,364	25,911	-	25,911	56,275	49,552
Employee leasing and transit fees	-	-	-	-	-	-	28,960	-	28,960	28,960	30,742
Credit card fees	-	-	-	-	-	-	26,881	-	26,881	26,881	33,618
Bank charges and other fees	-	-	-	-	-	-	392	-	392	392	832
Pension administration	-	-	-	-	-	-	2,415	-	2,415	2,415	2,370
Security	-	-	-	-	-	-	561	-	561	561	2,741
Gratuities	-	-	-	-	-	-	2,275	-	2,275	2,275	7,856
Travel	-	-	-	28	-	28	35	-	35	63	46,636
Hotel	-	-	-	-	-	-	-	-	-	-	48,842
Food and beverage	1,595	-	-	94	-	1,689	622	-	622	2,311	77,931
Secretarial	14,648	10,000	-	-	7,055	31,703	-	-	-	31,703	48,170
Meeting personnel	-	-	-	-	-	-	-	-	-	-	8,755
Officer's stipends	-	-	-	37,500	-	37,500	-	-	-	37,500	37,500
Production editors	-	99,600	23,740	-	-	123,340	-	-	-	123,340	109,640
Awards, prizes and gifts	1,500	-	-	-	11,250	12,750	-	-	-	12,750	21,500
Grants	-	-	-	-	80,074	80,074	-	-	-	80,074	91,080
Miscellaneous	1,000	-	-	-	-	1,000	480	-	480	1,480	2,873
Total Other Expenses	30,154	201,750	47,308	38,100	133,960	451,272	180,049	43,153	223,202	674,474	1,029,456
Total Expenses, 2021	\$ 510,378	\$221,506	\$ 62,111	\$ 150,310	\$ 566,487	\$1,510,792	\$ 573,325	\$ 365,512	\$938,837	\$2,449,629	
Total Expenses, 2020	\$ 746,517	\$234,709	\$ 46,859	\$ 160,171	\$ 840,004	\$2,028,260	\$ 595,729	\$ 357,710	\$953,439	\$2,981,699	

See notes to financial statements.

THE AMERICAN PSYCHOANALYTIC ASSOCIATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED AUGUST 31, 2020

	Program Services					Supporting Services			Total Expenses	
	Semi-Annual Meetings	Journal	Newsletter	Committees of the Executive Council	Committees of the Corporation	Total	Management and General	Membership Support		Total
Staff Compensation and Related										
Staff salaries	\$ 344,346	\$ 13,784	\$ 9,540	\$ 85,224	\$ 329,198	\$ 782,092	\$ 153,815	\$ 242,901	\$396,716	\$1,178,808
Payroll taxes	26,245	981	645	5,282	25,384	58,537	11,807	18,106	29,913	88,450
Health insurance	30,670	1,690	892	8,570	47,271	89,093	21,354	40,637	61,991	151,084
Pension expense	29,178	1,120	770	7,529	20,809	59,406	28,460	24,804	53,264	112,670
Total Staff Compensation and Related	<u>430,439</u>	<u>17,575</u>	<u>11,847</u>	<u>106,605</u>	<u>422,662</u>	<u>989,128</u>	<u>215,436</u>	<u>326,448</u>	<u>541,884</u>	<u>1,531,012</u>
Occupancy										
Condominium maintenance	5,559	2,450	2,355	4,711	36,745	51,820	37,686	4,711	42,397	94,217
Condominium depreciation	59	49	79	39	859	1,085	790	99	889	1,974
Office cleaning and maintenance	1,419	591	1,301	473	9,225	13,009	9,463	1,183	10,646	23,655
Electricity	478	234	356	328	3,760	5,156	3,740	468	4,208	9,364
Total Occupancy	<u>7,515</u>	<u>3,324</u>	<u>4,091</u>	<u>5,551</u>	<u>50,589</u>	<u>71,070</u>	<u>51,679</u>	<u>6,461</u>	<u>58,140</u>	<u>129,210</u>
Professional and Consulting										
Legal	-	-	-	-	-	-	61,591	-	61,591	61,591
Accounting	-	-	-	-	-	-	31,040	-	31,040	31,040
Actuarial	-	-	-	-	-	-	13,297	-	13,297	13,297
Computer	2,223	-	-	-	-	2,223	46,846	9,786	56,632	58,855
Government relations	-	-	-	-	75,000	75,000	200	-	200	75,200
Non-legal consulting	6,000	-	-	1,500	44,538	52,038	-	-	-	52,038
Total Professional and Consulting	<u>8,223</u>	<u>-</u>	<u>-</u>	<u>1,500</u>	<u>119,538</u>	<u>129,261</u>	<u>152,974</u>	<u>9,786</u>	<u>162,760</u>	<u>292,021</u>
Other Expenses										
Advertising	-	-	-	-	1,189	1,189	-	-	-	1,189
Insurance	-	-	-	-	-	-	38,460	-	38,460	38,460
Postage	625	337	3,545	230	757	5,494	847	1,441	2,288	7,782
Telephone	1,131	-	-	11	38	1,180	7,160	11,211	18,371	19,551
Messenger, freight and rail	1,758	40	254	38	-	2,090	-	658	658	2,748
Printing, publishing and duplication	10,789	92,380	15,463	-	21,516	140,148	408	696	1,104	141,252
Designing brochures, publications, etc.	4,017	-	-	-	1,361	5,378	-	-	-	5,378
Mailing list, roster and about Psy	-	-	-	-	444	444	-	-	-	444
Mailing house charge	-	-	619	-	470	1,089	16,002	350	16,352	17,441
Equipment rental	136,108	-	-	640	11,204	147,952	16,992	-	16,992	164,944
Stationery and supplies	3,874	-	-	-	449	4,323	4,647	659	5,306	9,629
Dues and subscriptions	12,964	500	-	-	21,556	35,020	14,532	-	14,532	49,552
Employee leasing and transit fees	-	-	-	-	-	-	30,742	-	30,742	30,742
Credit card fees	-	-	-	-	-	-	33,618	-	33,618	33,618
Bank charges and other fees	-	-	-	-	-	-	832	-	832	832
Pension administration	-	-	-	-	-	-	2,370	-	2,370	2,370
Security	2,150	-	-	-	-	2,150	591	-	591	2,741
Gratuities	500	-	-	-	-	500	7,356	-	7,356	7,856
Travel	6,603	1,103	-	2,505	35,984	46,195	441	-	441	46,636
Hotel	20,460	1,494	-	2,356	24,322	48,632	210	-	210	48,842
Food and beverage	56,872	7,856	-	2,976	9,849	77,553	378	-	378	77,931
Secretarial	30,814	10,000	-	-	7,356	48,170	-	-	-	48,170
Meeting personnel	3,925	-	-	190	4,640	8,755	-	-	-	8,755
Officer's stipends	-	-	-	37,500	-	37,500	-	-	-	37,500
Production editors	-	98,600	11,040	-	-	109,640	-	-	-	109,640
Awards, prizes and gifts	5,000	1,500	-	-	15,000	21,500	-	-	-	21,500
Grants	-	-	-	-	91,080	91,080	-	-	-	91,080
Miscellaneous	2,750	-	-	69	-	2,819	54	-	54	2,873
Total Other Expenses	<u>300,340</u>	<u>213,810</u>	<u>30,921</u>	<u>46,515</u>	<u>247,215</u>	<u>838,801</u>	<u>175,640</u>	<u>15,015</u>	<u>190,655</u>	<u>1,029,456</u>
Total Expenses	<u>\$ 746,517</u>	<u>\$234,709</u>	<u>\$ 46,859</u>	<u>\$ 160,171</u>	<u>\$ 840,004</u>	<u>\$2,028,260</u>	<u>\$ 595,729</u>	<u>\$ 357,710</u>	<u>\$953,439</u>	<u>\$2,981,699</u>

See notes to financial statements.

THE AMERICAN PSYCHOANALYTIC ASSOCIATION, INC.

STATEMENTS OF CASH FLOWS

YEARS ENDED AUGUST 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
Cash Flows From Operating Activities		
Increase in net assets	\$2,030,046	\$ 143,827
Adjustments to reconcile increase in net assets to net cash used by operating activities:		
Depreciation and amortization	2,448	1,974
Loan forgiveness - Paycheck Protection Program	(277,637)	-
Net realized and unrealized gain on investments	(1,151,571)	(435,350)
(Increase) decrease in:		
Membership dues and subscriptions receivable	(164,437)	53,002
Royalties and other receivables	(13,987)	5,990
Prepaid expenses and other current assets	(82,670)	10,571
Loans receivable	10,899	3,554
Increase (decrease) in:		
Accounts payable and accrued expenses	(6,100)	(87,860)
Deferred dues and subscription revenue	47,445	(16,030)
Accrued pension expense	(401,625)	127,452
Net Cash Used By Operating Activities	<u>(7,189)</u>	<u>(192,870)</u>
Cash Flows From Investing Activities		
Proceeds from sale of investments	1,831,554	2,038,880
Purchases of investments	(1,679,385)	(1,988,299)
Purchase of property and equipment	(82,424)	-
Net Cash Provided By Investing Activities	<u>69,745</u>	<u>50,581</u>
Cash Flows From Financing Activities		
Proceeds from loans payable	<u>206,602</u>	<u>277,637</u>
Net increase in cash and cash equivalents	269,158	135,348
Cash and cash equivalents, beginning of year	<u>274,436</u>	<u>139,088</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 543,594</u></u>	<u><u>\$ 274,436</u></u>

See notes to financial statements.

THE AMERICAN PSYCHOANALYTIC ASSOCIATION, INC.**NOTES TO FINANCIAL STATEMENTS****AUGUST 31, 2021 AND 2020****Note 1 - Organization and Summary of Significant Accounting Policies****a - Organization**

The American Psychoanalytic Association, Inc.'s (the "Association") stated purpose is to study and advance psychoanalysis, to foster the integration of psychoanalysis with other branches of science, and to encourage research in all fields having to do with scientific knowledge and the welfare of man.

The Association receives membership dues and provides the members with a quarterly magazine, publishes the Journal of the American Psychoanalytic Association, and hosts semi-annual meetings benefitting members and others in the scientific community. The Association sets standards for the certification of psychoanalysts, accredits the educational programs of psychoanalytic training institutes and establishes the professional standards for practicing psychoanalysts.

b - Cash and Cash Equivalents

For purposes of the statement of cash flows, the Association considers all highly liquid debt instruments, purchased with a maturity of three months or less, to be cash equivalents, excluding those held in its investment portfolio as part of its long-term investment strategies.

c - Contributions and Contributions Receivable

Contributions are recognized when the donor makes a promise to give, that is in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets with donor restrictions. When a restriction expires (that is, when stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Conditional promises to give, that is, those with a measurable performance-related or other barrier and right of return of assets transferred or release of a promisor's obligation to transfer assets in the future, are not recognized until the conditions on which they depend have been met.

d - Loans Receivable

Loans receivable are stated at the amount the Association expects to collect from outstanding balances after a net present value adjustment for imputed interest at the rate between 3% to 5% per annum. The Association provides for probable uncollectible amounts through a provision for uncollectible loans expense and an adjustment to a valuation allowance for uncollectible loans based on its assessment of the current status of individual loans based on their contractual terms.

THE AMERICAN PSYCHOANALYTIC ASSOCIATION, INC.**NOTES TO FINANCIAL STATEMENTS****AUGUST 31, 2021 AND 2020****Note 1 - Organization and Summary of Significant Accounting Policies (continued)****e - Investments and Fair Value Measurements**

The Association reflects investments at fair value in the statement of financial position. Interest, dividends, and gains and losses on investments are reflected in the statement of activities as increases and decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or by law. Gains and other investment income that are limited to specific uses by donor-imposed restrictions are reported as increases in net assets with donor restrictions. When a restriction expires (that is, when stipulated time restriction ends or purpose restriction is accomplished), investment income with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as appropriations to operations.

Fair value is defined as the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. Fair value is a market-based measurement, not an entity-based measurement. Generally accepted accounting principles establish a framework for measuring fair value which maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those the market participants would use in pricing the asset based on market date obtained from sources independent of the Association. Unobservable inputs reflect the Association's assumptions about the inputs market participants would use in pricing the asset developed based on the best information available in the circumstances. Fair value measurements are categorized into three levels as follows:

- Level 1 Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Association has the ability to access at the measurement date.
- Level 2 Inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active.
- Level 3 Inputs that are unobservable.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

f - Property and Equipment

The Association owns a condominium unit at 309 East 49th Street, New York, New York, which it uses as its office facility and national headquarters. The cost of the facility and related improvements are being depreciated over 28.5 and 39 years under the straight-line method. Furniture, equipment, computer software and website acquired are recorded at cost and are being depreciated using the straight-line method over the estimated useful life of the related asset.

THE AMERICAN PSYCHOANALYTIC ASSOCIATION, INC.**NOTES TO FINANCIAL STATEMENTS****AUGUST 31, 2021 AND 2020****Note 1 - Organization and Summary of Significant Accounting Policies (continued)****g - Revenue Recognition**

The Association has multiple revenue streams accounted for as exchange transactions, that are recognized as revenue when the applicable performance obligations are satisfied.

Deferred dues revenue consists of membership dues and subscriptions received in the current year for the subsequent year Association membership, and journal subscriptions received in the current year for a professional journal to be published in the subsequent year. Amounts included in deferred dues revenue will be recognized as revenue in the year to which the membership applies or when the subscriptions are fulfilled.

Other revenue, including fees, assessments, and meeting registration, are recognized as revenue when the related services are provided, meeting takes place, or the performance obligation is satisfied.

h - Financial Statement Presentation

The financial statements of the Association have been prepared in accordance with accounting principles generally accepted in the United States of America, which require the Association to report information regarding its financial position and activities according to the following net asset classifications:

Net Assets Without Donor Restrictions

Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Association. These net assets may be used at the discretion of the Association's management and Board of Directors.

Net Assets With Donor Restrictions

Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Association or the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

i - Membership Dues and Subscriptions Receivable

Membership dues and journal subscriptions receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for uncollectible dues and an adjustment to a valuation allowance based on its historical collection experience.

j - Donated Services

A significant portion of the Association's functions are conducted by unpaid officers and committee members. The value of this contributed time is not reflected in the accompanying financial statement since this contributed time does not meet the criteria for recognition.

THE AMERICAN PSYCHOANALYTIC ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2021 AND 2020

Note 1 - Organization and Summary of Significant Accounting Policies (continued)**k - Grants and Appropriations**

Unconditional grants and appropriations are accrued at the time authorized. For grants which are conditional on the recipient fulfilling certain obligations prior to receiving funds, grants and appropriations are accrued at the time those conditions are satisfied.

l - Functional Allocation of Expenses

The cost of providing the various programs and supporting services has been summarized on a functional basis in the statement of activities. Expenses are allocated directly to programs, where applicable, or allocated on a reasonable and consistent basis. A substantial portion of the Association's expenses are directly related to program activities. Certain other expenses are attributable to more than one program or supporting function and require allocation. The expenses that are allocated include salaries, payroll taxes, and benefits, which are allocated on the basis of estimates of employee time and effort, while occupancy expenses are allocated based on percentages of square footage.

m - Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

n - Tax Status

The American Psychoanalytic Association, Inc. is a not-for-profit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and has been designated as an organization which is not a private foundation.

o - New Accounting Standard

For 2021, the Association adopted Accounting Standards Update ("ASU") 2014-09, *Revenue from Contracts with Customers*, which requires entities to recognize revenue through the application of a five-step model, which includes identification of the contract, identification of the performance obligation(s), determination of the transaction price, allocation of the transaction price to the performance obligations, and recognition of revenue as the Association satisfies the performance obligations. The ASU also requires expanded disclosures relating to the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. The adoption of this ASU had no impact on the Association's financial statements.

p - Subsequent Events

The Association has evaluated subsequent events through April 12, 2022, the date that the financial statements are considered available to be issued.

THE AMERICAN PSYCHOANALYTIC ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2021 AND 2020

Note 2 - Information Regarding Liquidity and Availability

The Association operates with a balanced budget for each fiscal year based on the revenues expected to be available to fund anticipated expenses. A substantial portion of annual revenue is comprised of contribution revenue raised during the current year, and revenue from other sources earned during the year. The Association considers general expenditures to consist of all expenses related to its ongoing program activities, and the expenses related to general and administrative and membership support activities undertaken to support those services.

The Association regularly monitors liquidity to meet its operating needs and other commitments and obligations, while seeking to maximize the investment of its available funds. Management prepares regular cash flow projections to determine liquidity needs. Financial assets in excess of daily cash requirements are maintained in interest-bearing bank accounts, or are invested in certificates of deposit, money market funds, and other short-term investments.

The Association's financial assets as of August 31, 2021 and 2020 available to meet cash needs for general expenditures within one year are summarized as follows:

	<u>2021</u>	<u>2020</u>
Financial Assets at Year End:		
Cash and cash equivalents	\$ 543,594	\$ 274,436
Membership dues and subscriptions receivable	223,723	59,286
Royalties and other receivable	43,435	29,448
Investments	<u>7,330,420</u>	<u>6,331,018</u>
Total Financial Assets	8,141,172	6,694,188
Less: Amounts not Available to be Used within One Year:		
Net assets without donor restrictions reserved for the American Psychoanalytic Foundation Committee	(1,011,317)	(849,404)
Net assets with donor restrictions, subject to expenditure for specific purposes or passage of time	(462,077)	(497,283)
Plus: Net assets with donor restrictions expected to be met in less than one year	30,000	30,000
Net assets with donor restrictions for endowment	(288,859)	(255,950)
Plus: Amounts appropriated for use within one year	12,000	12,000
Net assets without donor restrictions, subject to spending policy and appropriation	(4,442,201)	(4,622,974)
Plus: Amounts appropriated for use within one year	<u>228,513</u>	<u>100,000</u>
Financial Assets Available to Meet General Expenditures within One Year	<u>\$ 2,207,231</u>	<u>\$ 610,577</u>

THE AMERICAN PSYCHOANALYTIC ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2021 AND 2020

Note 2 - Information Regarding Liquidity and Availability (continued)

In addition to these financial assets available within one year, the Association maintains a board designated reserve fund of \$4,213,688 (excluding the 2022 appropriations of \$228,513), which is invested for long-term appreciation and current income. The fund could be made available at any time to meet cash needs for general expenditures at the discretion of the Board.

Note 3 - Net Assets

a - Net Assets Without Donor Restrictions

Net assets without donor restrictions are comprised of the following:

	<u>2021</u>	<u>2020</u>
Operating	\$1,525,203	\$ (124,375)
Related to accrued pension expense	(587,688)	(989,313)
American Psychoanalytic Foundation Committee fund	1,011,317	849,404
Board designated reserve fund	<u>4,442,201</u>	<u>4,622,974</u>
Total Net Assets Without Donor Restrictions	<u>\$6,391,033</u>	<u>\$4,358,690</u>

The Association established a Reserve Fund to fund operating expenses in excess of amounts budgeted, and to be used for special projects approved on a discretionary basis by the Executive Council.

The Association maintains a designated fund to be used at the discretion of the American Psychoanalytic Foundation Committee.

THE AMERICAN PSYCHOANALYTIC ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2021 AND 2020

Note 3 - Net Assets (continued)

b - Net Assets With Donor Restrictions

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

	2021	2020
Subject to expenditure for specific purpose:		
Patient privacy fund	\$191,910	\$227,116
Candidate assistance fund	175,918	175,918
Psychoanalytic assistance fund	94,249	94,249
	462,077	497,283
Endowments subject to spending policy and appropriation:		
Investment income above original gift amount:		
Ticho award	88,859	55,950
Investment in perpetuity		
Ticho award	200,000	200,000
Total Endowments	288,859	255,950
Total Net Assets With Donor Restrictions	\$750,936	\$753,233

c - Net Assets Released From Donor Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes specified by donors as follows:

	2021	2020
Research expenses	\$ 29,281	\$ 32,758
Patient privacy protection (CGRI PAC Fund)	35,206	75,200
Spring meeting	-	5,000
Total	\$64,487	\$112,958

Note 4 - Loans Receivable

Loans are made as part of a program to provide financial assistance to members furthering their psychoanalytic education. The loans are noninterest bearing and are generally repayable in three to five years from the date of the loan. The Association has granted extensions on certain initial maturity dates.

THE AMERICAN PSYCHOANALYTIC ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2021 AND 2020

Note 4 - Loans Receivable (continued)

Loans receivable include an interest free loan to the Psychodynamic/Psychoanalytic Research Society (PPRS). The loan is due by August 31, 2029. The balance at August 31, 2021 and 2020 is \$6,500 and \$12,500, respectively.

Loans receivable are due as follows:

<u>Year Ending August 31,</u>	
2022	\$ 58,325
2023	17,166
2024	15,166
2025	10,168
2026	5,000
Thereafter, through August 31, 2030	<u>12,000</u>
	117,825
Less: Discount to present value	(6,650)
Less: Allowance for doubtful accounts	<u>(33,000)</u>
Total	<u>\$ 78,175</u>

Note 5 - Investments

Investments, all of which are Level 1 within the fair value hierarchy used to measure their respective fair values, consist of the following:

	<u>2021</u>		<u>2020</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Money market funds and cash held for investments	\$ 575,347	\$ 575,347	\$ 791,637	\$ 791,637
Equities	1,595,009	3,075,338	1,505,101	2,173,849
Mutual funds and exchange traded funds	2,649,038	3,322,568	2,372,490	2,807,371
Publicly traded partnerships	26,063	52,298	26,063	44,597
Corporate and municipal bonds	<u>294,226</u>	<u>304,869</u>	<u>496,975</u>	<u>513,564</u>
	<u>\$5,139,683</u>	<u>\$7,330,420</u>	<u>\$5,192,266</u>	<u>\$6,331,018</u>

THE AMERICAN PSYCHOANALYTIC ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2021 AND 2020

Note 5 - Investments (continued)

Net investment income for the years ended August, 31, 2021 and 2020 is summarized as follows:

	2021	2020
Interest and dividends	\$ 86,783	\$104,313
Investment fees	(39,377)	(31,881)
Net realized gain on sale of investments	99,587	64,811
Net unrealized gain on investments	1,051,985	370,539
Net Investment Income	\$1,198,978	\$507,782

Note 6 - Endowment Funds

The Association's endowment consists of a donor-restricted endowment fund. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Consistent with New York State Not-for-Profit Corporation Law and the New York Prudent Management of Institutional Funds Act ("NYPMIFA"), the Association classifies as permanently restricted net assets for investment in perpetuity (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) accumulations to the permanent endowment made in accordance with the direction of any applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in net assets with donor restrictions for investment in perpetuity is classified as investment income above the original gift amount until those amounts are appropriated for expenditure by the Association.

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

- (if) the duration and preservation of the endowment fund;
- (ii) the purposes of the Association and the endowment fund;
- (iii) general economic conditions;
- (iv) the possible effect of inflation or deflation;
- (v) the expected total return from income and the appreciation of investments;
- (vi) other resources of the Association;
- (vii) where appropriate and circumstances would otherwise warrant, alternatives to expenditure of the endowment fund, giving due consideration to the effect that such alternatives may have on the Association; and
- (viii) the investment policy of the Association

THE AMERICAN PSYCHOANALYTIC ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2021 AND 2020

Note 6 - Endowment Funds (continued)

As of August 31, 2021, and 2020, the Association's endowment fund composition, by type of fund and net asset classification, are summarized as follows:

	<u>With Donor Restrictions</u>		
	<u>Investment Income Above Original Gift Amount</u>	<u>Investment in Perpetuity</u>	<u>Total</u>
Donor-restricted endowment funds, 2021	<u>\$88,859</u>	<u>\$200,000</u>	<u>\$288,859</u>
Donor-restricted endowment funds, 2020	<u>\$55,950</u>	<u>\$200,000</u>	<u>\$255,950</u>

Changes in the Association's endowment funds for the years ended August 31, 2021 and 2020 are summarized as follows:

	<u>2021</u>		
	<u>With Donor Restrictions</u>		
	<u>Investment Income Above Original Gift Amount</u>	<u>Investment in Perpetuity</u>	<u>Total</u>
Endowment funds, beginning of year	\$55,950	\$200,000	\$255,950
Net investment return	<u>32,909</u>	-	<u>32,909</u>
Endowment Funds, End of Year	<u>\$88,859</u>	<u>\$200,000</u>	<u>\$288,859</u>
	<u>2020</u>		
	<u>With Donor Restrictions</u>		
	<u>Investment Income Above Original Gift Amount</u>	<u>Investment in Perpetuity</u>	<u>Total</u>
Endowment funds, beginning of year	\$52,308	\$200,000	\$252,308
Net investment return	16,156	-	16,156
Appropriation of endowment assets for expenditure	<u>(12,514)</u>	-	<u>(12,514)</u>
Endowment Funds, End of Year	<u>\$55,950</u>	<u>\$200,000</u>	<u>\$255,950</u>

THE AMERICAN PSYCHOANALYTIC ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2021 AND 2020

Note 6 - Endowment Funds (continued)

Investment of the endowment is governed by the Association's investment policy for all invested funds. The primary objectives of this policy are the preservation of principal and purchasing power of financial assets. A secondary objective is the enhancement of purchasing power through investment returns, subject to prudent diversification of asset classes and individual investments. The Association has a policy of appropriating for distribution each year 5% of the average fair value for the preceding twelve quarters. No appropriations were made for the year ended August 31, 2021.

Note 7 - Property and Equipment

Property and equipment at August 31, 2021 and 2020 consists of the following:

	<u>Life</u>	<u>2021</u>	<u>2020</u>
Condominium unit and improvements	28.5-39 years	\$1,155,868	\$1,155,868
Furniture, equipment and computer software	5-7 years	246,801	193,677
Website	3 years	<u>100,478</u>	<u>71,178</u>
		1,503,147	1,420,723
Less: Accumulated depreciation and amortization		<u>(1,389,457)</u>	<u>(1,387,009)</u>
		<u>\$ 113,690</u>	<u>\$ 33,714</u>

Note 8 - Deferred Compensation Payable

The Association maintains a defined benefit pension plan which covers substantially all of its employees hired before January 1, 2006. The benefits are based on years of service and on the employee's highest five consecutive years' compensation during the last ten years of employment. The Association's funding policy is to contribute to the plan in such amounts as are actuarially required to fund Plan benefits. Effective June 1, 2019, the Association elected a plan curtailment to freeze benefit accruals as of that date. As a result, no new participants are eligible for the plan and future salary increases, as well as additional years of service, have no effect on the employee benefit.

The Association is required to recognize the funded status of the pension plan, measured as the difference between the fair value of plan assets and the projected benefit obligation, in the statement of financial position. In addition to recognizing net periodic pension cost as an operating expense (\$18,286 and \$42,612 for 2021 and 2020, respectively), other changes in the funded status (including actual plan asset gains and losses, and other costs or credits that arise during the period but are not part of net periodic benefit cost) are required to be recognized as a separate line item, apart from expenses, in the statement of activities (an increase (decrease) in net assets of \$354,067 and \$(173,464) for 2021 and 2020, respectively).

THE AMERICAN PSYCHOANALYTIC ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2021 AND 2020

Note 8 - Deferred Compensation Payable (continued)

Obligations and funded status at August 31, 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
Benefit obligation	\$(3,096,268)	\$(4,060,847)
Plan assets at fair value	<u>2,508,580</u>	<u>3,071,534</u>
Funded Status	<u>\$ (587,688)</u>	<u>\$ (989,313)</u>
Accumulated benefit obligation	<u>\$ 3,096,268</u>	<u>\$ 4,060,847</u>
Employer contributions	<u>\$ 65,844</u>	<u>\$ 88,624</u>
Benefits paid	<u>\$ 68,710</u>	<u>\$ 69,572</u>

Amounts recognized in the statement of financial position at August 31, 2021 and 2020 consist of:

	<u>2021</u>	<u>2020</u>
Accrued pension expense	<u>\$587,688</u>	<u>\$989,313</u>

Amounts recognized in the statements of activities for the years ended August 31, 2021 and 2020 consist of:

	<u>2021</u>	<u>2020</u>
Net income (loss)	\$354,067	\$(173,464)
Amortization of prior service cost	<u>(58,344)</u>	<u>(58,344)</u>
Pension related changes other than periodic pension cost	295,723	(231,808)
Net periodic pension cost	<u>(18,286)</u>	<u>(42,612)</u>
	<u>\$277,437</u>	<u>\$(274,420)</u>

Other changes in plan assets and benefit obligations previously recognized in changes in net assets without donor restrictions as of August 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Net loss	<u>\$552,734</u>	<u>\$906,802</u>

THE AMERICAN PSYCHOANALYTIC ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2021 AND 2020

Note 8 - Deferred Compensation Payable (continued)

The following weighted-average assumptions were used to determine benefit obligations at August 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Discount rate	2.75%	2.75%
Rate of compensation increase	0.00%	0.00%

The following weighted-average assumptions were used to determine net periodic benefit cost for the years ended August 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Discount rate	2.75%	3.25%
Expected long-term return on plan assets	4.75%	4.75%
Rate of compensation increase	0.00%	3.00%

Historical and future expected returns of multiple asset classes were analyzed to develop a risk-free real rate of return and risk premiums for each asset class. The overall rate for each asset class was developed by combining a long-term inflation component, the risk-free real rate of return, and the associated risk premium. A weighted average rate was developed based on those overall rates and the target asset allocation of the plan.

The percentage of the fair value of total plan assets, all which are Level 1 assets within the fair value hierarchy, held as of August 31, 2021 and 2020 (the measurement date) by asset category is as follows:

	<u>2021</u>	<u>2020</u>
Equity securities	35.64%	32.12%
Debt securities	27.15%	9.78%
Other - mutual and money market funds	37.21%	58.10%

The primary investment objective of the pension plan is to have the plan assets invested so as to outperform inflation by the rate of liability growth within reasonable risk levels, including any value added from active management, in order to match the plan's liabilities and obligations. Strategic asset allocation is the principal method for achieving that objective, while maintaining an appropriate level of risk. Accordingly, and as approved by the Association's Board of Directors, the Association's plan assets are managed by an asset management firm guided by the plan's investment policy.

THE AMERICAN PSYCHOANALYTIC ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2021 AND 2020

Note 8 - Deferred Compensation Payable (continued)

The expected contributions to the pension plan to be made during the year ending August 31, 2022 total \$65,844.

No plan assets are expected to be returned to the Association during the year ending August 31, 2022.

As of August 31, 2021, the amount of benefits expected to be paid are as follows:

<u>Year Ending August 31,</u>	
2022	\$ 69,610
2023	66,342
2024	62,890
2025	341,898
2026	55,487
2027-2032	1,944,723

Note 9 - 403(b) Plan

The Association established a tax-deferred annuity plan under the Internal Revenue Code Section 403(b) covering all its employees. Participants may make contributions to the plan to the maximum allowed by the Internal Revenue Code. The Association contributes up to 3% of the employee's salaries and a discretionary contribution of 4%. Pension expense under these plans amounted to \$67,325 and \$70,058 for years ended August 31, 2021 and 2020, respectively.

Note 10 - Loans Payable

In April 2020, the Association received a \$277,637 Paycheck Protection Program loan having an interest rate of 1% and a maturity of two years. The loan and any accrued interest can be forgiven in its entirety if the loan proceeds are applied towards applicable payroll and occupancy costs, as defined by the Coronavirus Aid, Relief and Economic Security Act. In April 2021, the full amount of the loan was forgiven, and accordingly recognized as loan forgiveness revenue during the year ended August 31, 2021.

In April 2021, the Association received a second Paycheck Protection Program loan in the amount of \$206,602, having an interest rate of 1% and a maturity of five years. In September 2021, the full amount of the loan was forgiven, and will be recognized as loan forgiveness revenue during the year ending August 31, 2022.

THE AMERICAN PSYCHOANALYTIC ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2021 AND 2020

Note 11 - Concentration of Credit Risk

The Association maintains its cash balances in financial institutions located in New York, New York. The cash balances, at times, exceed federally insured limits.

Note 12 - Affiliated Entities

a - Psychoanalytic Electronic Publishing, Inc. ("PEP") is a 501(c)(3) nonprofit corporation organized primarily for the purpose of producing and distributing an electronic archive of psychoanalytic journals and books. PEP's additional purpose is to support, benefit, and carry out the purposes of the Association and the Institute of Psycho-Analysis (Institute), a registered British charity that is the foreign equivalent of a public supported charity. PEP's primary product is a web-based electronic archive.

PEP paid \$440,000 in grants to the Association during each of the years ended August 31, 2021 and 2020, which are included in the accompanying statement of activities.

b - As an additional service to its members, International Psychoanalytical Association, International Psychoanalytical Studies Organization, and International Journal of Psychoanalysis are certain third-party affiliate organizations which the Association serves as a transfer agent with respect to psychoanalytic journal subscriptions, membership dues, and contributions, billed to and collected from the Association's membership and subsequently disbursed to these third-party organizations. At August 31, 2021 and 2020, undisbursed collections included in prepaid expenses and other current assets on the accompanying statement of financial position was \$102,068 and \$22,467, respectively.

Note 13 - Other Revenue

Other revenue at August 31, 2021 and 2020 is comprised of the following:

	<u>2021</u>	<u>2020</u>
Psychotherapist associate fees	\$34,215	\$37,825
Payroll provider credit	10,770	-
Educator/research associate fees	3,700	4,100
Sage discretionary fee	1,500	1,500
Casebook	220	420
Student associate fees	2,100	3,275
Mailing list and roster sales	850	668
Miscellaneous	<u>7,392</u>	<u>9,514</u>
Total	<u>\$60,747</u>	<u>\$57,302</u>

THE AMERICAN PSYCHOANALYTIC ASSOCIATION, INC.**NOTES TO FINANCIAL STATEMENTS****AUGUST 31, 2021 AND 2020****Note 14 - Risks and Uncertainties**

In March 2020, the United States declared the global pandemic novel coronavirus COVID-19 outbreak a national emergency. As a result, the Association has temporarily suspended some of its program activities at the direction of state and local government authorities. Management took immediate steps to mitigate that impact by instituting across-the-board budget cuts. The Association also obtained Paycheck Protection Program loans under the Federal Cares Act program. With these steps and additional funding, management believes that its current financial assets are sufficient to support the Association's ongoing operations.