

**YMCA of the Iowa Mississippi Valley**

**Financial Statements**

**December 31, 2020 and 2019**

**(With Independent Auditor's  
Report Thereon)**

**YMCA of the Iowa Mississippi Valley**

**Table of Contents**

	<b><u>Page</u></b>
<b>Independent Auditor's Report</b>	<b>1</b>
<b>Financial Statements:</b>	
<b>Statements of Financial Position</b>	<b>2</b>
<b>Statements of Activities</b>	<b>3-4</b>
<b>Statements of Functional Expenses</b>	<b>5-6</b>
<b>Statements of Cash Flows</b>	<b>7</b>
<b>Notes to Financial Statements</b>	<b>8-20</b>
<b>Independent Auditor's Report on Supplementary Information</b>	<b>21</b>
<b>Supplemental Information:</b>	
<b>Individual Fund Schedules of Financial Position</b>	<b>22-23</b>
<b>Individual Fund Schedules of Activities and Changes in Net Assets</b>	<b>24-25</b>

Independent Auditor's Report

The Board of Directors  
YMCA of the Iowa Mississippi Valley:

We have audited the accompanying financial statements of YMCA of the Iowa Mississippi Valley, which comprise the statements of financial position as of December 31, 2020 and 2019 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 U.S. generally accepted accounting principles; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of YMCA of the Iowa Mississippi Valley as of December 31, 2020 and 2019, and the results of its operations and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

*Anderson, Lower, Whitlow, P.C.*

Bettendorf, Iowa  
April 15, 2021

YMCA of the Iowa Mississippi Valley

Statements of Financial Position

December 31, 2020 and 2019

<u>Assets (note 7)</u>	<u>2020</u>	<u>2019</u>
<b>Current assets:</b>		
Cash and cash equivalents (notes 5 and 12)	\$ 1,568,601	3,180,588
Certificates of deposit	-	302,474
Receivables:		
Pledges - current portion (note 2)	1,618,060	2,566,492
Daycare	45,087	53,096
United Way	51,059	39,398
Grants and other	325,441	408,638
Prepaid expenses	26,814	34,037
Other assets	<u>24,400</u>	<u>30,600</u>
<b>Total current assets</b>	<b><u>3,659,462</u></b>	<b><u>6,615,323</u></b>
<b>Property and equipment (note 6):</b>		
Land	4,403,515	4,826,506
Building and improvements	41,374,007	22,888,685
Equipment and vehicles	6,919,155	6,735,419
Construction in progress	<u>15,030</u>	<u>2,981,198</u>
	52,711,707	37,431,808
Less accumulated depreciation	<u>11,305,588</u>	<u>14,669,764</u>
<b>Net property and equipment</b>	<b><u>41,406,119</u></b>	<b><u>22,762,044</u></b>
Pledges - net of current portion (note 2)	6,002,883	6,406,256
Investments (notes 3 and 4)	9,336,454	5,859,276
Temporarily restricted asset - Weinzweig Trusts (notes 3 and 4)	282,951	349,023
Other assets (note 6)	<u>353,899</u>	<u>149,492</u>
<b>Total assets</b>	<b><u>\$61,041,768</u></b>	<b><u>42,141,414</u></b>
<b><u>Liabilities and Net Assets</u></b>		
<b>Current liabilities:</b>		
Current installments of long-term debt (note 7)	1,521,453	-
Accounts payable, including construction payables	1,573,929	1,234,259
Accrued expenses (note 9)	552,491	517,839
Deferred revenue:		
Membership dues and program	155,149	253,540
Grants	440,080	505,398
Other	<u>172,417</u>	<u>144,860</u>
<b>Total current liabilities</b>	<b>4,415,519</b>	<b>2,655,896</b>
Long-term debt, net of current installments (note 7)	<u>13,517,608</u>	-
<b>Total liabilities</b>	<b><u>17,933,127</u></b>	<b><u>2,655,896</u></b>
<b>Net assets:</b>		
Without donor restrictions:		
Undesignated	25,393,218	22,874,886
Board - designated for reserve (note 3)	7,779,361	4,848,783
Board - designated for equipment	423,494	1,425,779
Board - designated for endowment (note 3)	<u>965,302</u>	<u>637,740</u>
<b>Total without donor restrictions</b>	<b>34,561,375</b>	<b>29,787,188</b>
With donor restrictions (notes 3 and 8)	<u>8,547,266</u>	<u>9,698,330</u>
<b>Total net assets</b>	<b><u>43,108,641</u></b>	<b><u>39,485,518</u></b>
<b>Total liabilities and net assets</b>	<b><u>\$61,041,768</u></b>	<b><u>42,141,414</u></b>

See accompanying notes to financial statements.

**YMCA of the Iowa Mississippi Valley**

**Statements of Activities**

**Years Ended December 31, 2020 and 2019**

	<b>2020</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Operating activities:</b>			
<b>Public support:</b>			
Contributions	\$ 583,625	-	583,625
United Way	32,232	51,059	83,291
Grants (note 7)	1,642,125	-	1,642,125
Special events, net	69,482	-	69,482
Net assets released from restrictions – satisfaction of program restrictions	39,397	( 39,397)	-
<b>Total public support</b>	<b>2,366,861</b>	<b>11,662</b>	<b>2,378,523</b>
<b>Revenue:</b>			
Membership fees, net (note 14)	5,945,232	-	5,945,232
Program fees, net (note 14)	3,007,902	-	3,007,902
Merchandise sales	25,553	-	25,553
Miscellaneous	74,510	-	74,510
<b>Total revenue</b>	<b>9,053,197</b>	<b>-</b>	<b>9,053,197</b>
<b>Total public support and revenue</b>	<b>11,420,058</b>	<b>11,662</b>	<b>11,431,720</b>
<b>Operating expenses:</b>			
<b>Program services:</b>			
Youth development	3,194,534	-	3,194,534
Healthy living	3,706,228	-	3,706,228
Social responsibility	87,004	-	87,004
<b>Total program services</b>	<b>6,987,766</b>	<b>-</b>	<b>6,987,766</b>
<b>Support services:</b>			
Management and general	1,368,912	-	1,368,912
Fundraising	36,699	-	36,699
<b>Total support services</b>	<b>1,405,611</b>	<b>-</b>	<b>1,405,611</b>
<b>Total operating expenses</b>	<b>8,393,377</b>	<b>-</b>	<b>8,393,377</b>
<b>Changes in net assets from operations</b>	<b>3,026,681</b>	<b>11,662</b>	<b>3,038,343</b>
<b>Non-operating activities:</b>			
Net realized and unrealized gain	284,456	-	284,456
Investment income, net	126,768	-	126,768
Contributions for net endowment	162,152	-	162,152
Contributions for capital assets	43,275	322,390	365,665
Write down of property (note 6)	( 354,261)	-	( 354,261)
Net assets released from restriction – satisfaction of purpose restriction	1,485,116	(1,485,116)	-
<b>Total non-operating activities</b>	<b>1,747,506</b>	<b>(1,162,726)</b>	<b>584,780</b>
<b>Changes in net assets</b>	<b>4,774,187</b>	<b>(1,151,064)</b>	<b>3,623,123</b>
<b>Net assets, beginning of year</b>	<b>29,787,188</b>	<b>9,698,330</b>	<b>39,485,518</b>
<b>Net assets, end of year</b>	<b>\$34,561,375</b>	<b>8,547,266</b>	<b>43,108,641</b>

See accompanying notes to financial statements.

2019		
<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
\$ 658,023	-	658,023
56,172	39,397	95,569
194,294	-	194,294
83,211	-	83,211
<u>35,807</u>	<u>( 35,807)</u>	<u>-</u>
<u>1,027,507</u>	<u>3,590</u>	<u>1,031,097</u>
7,166,291	-	7,166,291
4,364,334	-	4,364,334
52,480	-	52,480
<u>220,438</u>	<u>-</u>	<u>220,438</u>
<u>11,803,543</u>	<u>-</u>	<u>11,803,543</u>
<u>12,831,050</u>	<u>3,590</u>	<u>12,834,640</u>
4,227,328	-	4,227,328
4,451,335	-	4,451,335
<u>107,631</u>	<u>-</u>	<u>107,631</u>
<u>8,786,294</u>	<u>-</u>	<u>8,786,294</u>
1,379,613	-	1,379,613
<u>45,912</u>	<u>-</u>	<u>45,912</u>
<u>1,425,525</u>	<u>-</u>	<u>1,425,525</u>
<u>10,211,819</u>	<u>-</u>	<u>10,211,819</u>
<u>2,619,231</u>	<u>3,590</u>	<u>2,622,821</u>
545,672	-	545,672
127,984	-	127,984
9,269	-	9,269
81,140	7,656,101	7,737,241
-	-	-
<u>2,617,172</u>	<u>( 2,617,172)</u>	<u>-</u>
<u>3,381,237</u>	<u>5,038,929</u>	<u>8,420,166</u>
6,000,468	5,042,519	11,042,987
<u>23,786,720</u>	<u>4,655,811</u>	<u>28,442,531</u>
<u>\$29,787,188</u>	<u>9,698,330</u>	<u>39,485,518</u>

YMCA of the Iowa Mississippi Valley

Statements of Functional Expenses

Year Ended December 31, 2020

	Program Services			Support Services			Totals	
	Youth Development	Healthy Living	Social Responsibility	Total Program Services	Management and General	Fundraising		Total Support Services
<b>Personnel costs:</b>								
Salaries and wages	\$1,962,185	1,610,039	66,321	3,638,545	792,035	13,832	805,867	4,444,412
Payroll related expenses and benefits	373,226	372,006	15,076	760,308	242,585	1,210	243,795	1,004,103
Total personnel costs	<u>2,335,411</u>	<u>1,982,045</u>	<u>81,397</u>	<u>4,398,853</u>	<u>1,034,620</u>	<u>15,042</u>	<u>1,049,662</u>	<u>5,448,515</u>
<b>Non-personnel costs:</b>								
Utilities	77,267	529,886	680	607,833	5,528	201	5,729	613,562
Maintenance supplies and equipment repairs	31,495	202,271	-	233,766	9,238	-	9,238	243,004
Contract services	32,600	102,335	-	134,935	35,662	-	35,662	170,597
Professional fees	-	-	-	-	21,755	-	21,755	21,755
Program supplies	63,957	16,314	-	80,271	-	-	-	80,271
Food	164,282	-	-	164,282	-	-	-	164,282
Advertising and promotion	2,661	54,802	-	57,463	25,000	16,451	41,451	98,914
Building, vehicle and liability insurance	36,745	136,575	-	173,320	10,659	-	10,659	183,979
Merchandise supplies	10,404	147	-	10,551	-	-	-	10,551
National dues	-	-	-	-	102,514	-	102,514	102,514
Rent	102,275	2,038	-	104,313	-	-	-	104,313
Equipment rental	214	400	-	614	-	-	-	614
Postage	1,143	479	-	1,622	5,974	2,577	8,551	10,173
Office supplies	1,862	2,742	-	4,604	4,551	-	4,551	9,155
Training and conference	3,951	5,268	-	9,219	3,946	-	3,946	13,165
Meetings	65	1,090	-	1,155	1,590	234	1,824	2,979
Recruitment	-	2,607	-	2,607	6,003	-	6,003	8,610
Mileage reimbursement	5,473	8,584	412	14,469	1,518	25	1,543	16,012
Bank charges	3,818	17,669	-	21,487	26,429	-	26,429	47,916
Other expense	12,911	19,028	2,515	34,454	37,925	169	38,094	72,548
Depreciation expense	308,000	621,948	2,000	931,948	36,000	2,000	38,000	969,948
Interest expense	-	-	-	-	-	-	-	-
Total non-personnel costs	<u>859,123</u>	<u>1,724,183</u>	<u>5,607</u>	<u>2,588,913</u>	<u>334,292</u>	<u>21,657</u>	<u>355,949</u>	<u>2,944,862</u>
Total expenses	\$ <u>3,194,534</u>	<u>3,706,228</u>	<u>87,004</u>	<u>6,987,766</u>	<u>1,368,912</u>	<u>36,699</u>	<u>1,405,611</u>	<u>8,393,377</u>

See accompanying notes to financial statements.

YMCA of the Iowa Mississippi Valley

Statements of Functional Expenses, continued

Year Ended December 31, 2019

	Program Services				Support Services			Totals
	Youth Development	Healthy Living	Social Responsibility	Total Program Services	Management and General	Fundraising	Total Support Services	
<b>Personnel costs:</b>								
Salaries and wages	\$2,587,404	1,955,186	72,035	4,614,625	746,034	21,665	767,699	5,382,324
Payroll related expenses and benefits	501,149	459,914	26,042	987,105	202,261	2,318	204,579	1,191,684
Total personnel costs	<u>3,088,553</u>	<u>2,415,100</u>	<u>98,077</u>	<u>5,601,730</u>	<u>948,295</u>	<u>23,983</u>	<u>972,278</u>	<u>6,574,008</u>
<b>Non-personnel costs:</b>								
Utilities	93,747	619,252	960	713,959	5,187	322	5,509	719,468
Maintenance supplies and equipment repairs	67,437	316,337	-	383,774	10,113	-	10,113	393,887
Contract services	58,093	141,562	-	199,655	37,310	174	37,484	237,139
Professional fees	-	-	-	-	26,423	-	26,423	26,423
Program supplies	153,141	29,158	1,609	183,908	-	-	-	183,908
Food	302,208	31	567	302,806	-	-	-	302,806
Advertising and promotion	2,545	85,808	-	88,353	41,000	16,234	57,234	145,587
Building, vehicle and liability insurance	36,870	145,140	-	182,010	8,972	-	8,972	190,982
Merchandise supplies	16,476	6,815	-	23,291	-	-	-	23,291
National dues	-	-	-	-	159,661	-	159,661	159,661
Rent	36,487	9,750	-	46,237	-	-	-	46,237
Equipment rental	1,603	629	-	2,232	-	-	-	2,232
Postage	888	1,847	-	2,735	8,614	2,441	11,055	13,790
Office supplies	3,897	6,578	-	10,475	2,947	40	2,987	13,462
Training and conference	14,544	20,128	361	35,033	16,530	30	16,560	51,593
Meetings	1,332	2,771	-	4,103	5,169	343	5,512	9,615
Recruitment	1,072	25	-	1,097	15,900	-	15,900	16,997
Mileage reimbursement	14,514	10,864	1,029	26,407	3,923	85	4,008	30,415
Bank charges	6,711	25,225	-	31,936	27,249	-	27,249	59,185
Other expense	20,675	26,109	3,028	49,812	26,320	260	26,580	76,392
Depreciation expense	306,535	550,460	2,000	858,995	36,000	2,000	38,000	896,995
Interest expense	-	37,746	-	37,746	-	-	-	37,746
Total non-personnel costs	<u>1,138,775</u>	<u>2,036,235</u>	<u>9,554</u>	<u>3,184,564</u>	<u>431,318</u>	<u>21,929</u>	<u>453,247</u>	<u>3,637,811</u>
<b>Total expenses</b>	<b><u>\$4,227,328</u></b>	<b><u>4,451,335</u></b>	<b><u>107,631</u></b>	<b><u>8,786,294</u></b>	<b><u>1,379,613</u></b>	<b><u>45,912</u></b>	<b><u>1,425,525</u></b>	<b><u>10,211,819</u></b>

See accompanying notes to financial statements



**YMCA of the Iowa Mississippi Valley**

**Statements of Cash Flows**

**Years Ended December 31, 2020 and 2019**

	<u>2020</u>	<u>2019</u>
<b>Cash flows from operating activities:</b>		
Increase in net assets	\$ 3,623,123	11,042,987
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	969,948	896,995
Amortization of pledge discount	( 208,138)	-
Net appreciation in fair value of investments and other assets	( 298,107)	( 526,754)
Net realized (gain) loss on sale of investments	7,543	( 24,285)
Net change in Weinzweig Trusts	66,072	( 36,732)
Write down of property and equipment	354,261	-
Capital campaign pledges for future facility	( 2,143,686)	( 2,432,140)
Debt forgiveness recorded as grant revenue	( 1,195,700)	-
Changes in assets and liabilities:		
(Increase) decrease in pledges receivable	1,559,943	( 5,319,030)
Decrease in daycare, United Way, grants and other receivables	79,545	5,158
Decrease in prepaid expenses	7,223	20,446
Decrease in other current assets	6,200	-
Increase (decrease) in accounts payable	10,490	( 43,099)
Increase in accrued expenses	34,652	116,031
Decrease in deferred revenue	<u>( 136,152)</u>	<u>( 16,180)</u>
<b>Net cash provided by operating activities</b>	<u>2,737,217</u>	<u>3,683,397</u>
<b>Cash flows from investing activities:</b>		
(Purchase) redemption of certificates of deposit	302,474	318,461
Purchase of investments	( 6,995,146)	( 2,352,554)
Proceeds from sale of investments	3,803,625	1,988,391
Increase in other assets	( 49,500)	( 49,000)
Purchase of property and equipment	<u>(19,789,104)</u>	<u>( 2,681,154)</u>
<b>Net cash used in investing activities</b>	<u>(22,727,651)</u>	<u>( 2,775,856)</u>
<b>Cash flows from financing activities:</b>		
Proceeds from issuance of long-term debt	16,234,761	-
Capital campaign pledges for future facility	2,143,686	2,432,140
Principal payments on long-term debt	-	<u>( 1,193,969)</u>
<b>Net cash provided by financing activities</b>	<u>18,378,447</u>	<u>1,238,171</u>
 <b>Net increase (decrease) in cash and cash equivalents</b>	 ( 1,611,987)	 2,145,712
<b>Cash and cash equivalents at beginning of year</b>	<u>3,180,588</u>	<u>1,034,876</u>
<b>Cash and cash equivalents at end of year</b>	<u>\$1,568,601</u>	<u>3,180,588</u>
<b>Supplemental disclosure of cash flow information:</b>		
Cash paid for interest	\$ <u>          -</u>	<u>38,622</u>
<b>Supplemental disclosure of noncash investing and financing activities:</b>		
Debt forgiveness recorded as a contribution	<u>\$1,195,700</u>	<u>          -</u>
Construction costs included in accounts payable	<u>\$1,449,220</u>	<u>1,120,040</u>
Grant receivable also recorded as deferred revenue	<u>\$          -</u>	<u>400,000</u>

See accompanying notes to financial statements.

YMCA of the Iowa Mississippi Valley

Notes to Financial Statements

December 31, 2020 and 2019

(1) Nature of Organization and Summary of Significant Accounting Policies

Nature of Organization

Since 1858, the YMCA of the Iowa Mississippi Valley mission has worked to strengthen Eastern Iowa and the greater Quad Cities by providing the highest quality programs and services and ensuring they are available to everyone. Our cause is delivered through youth development, healthy living and social responsibility. Locally, nationally and across the world, we are a powerful association of men, women, and children committed to bringing about lasting personal and social change. With a focus on nurturing the potential of every child and teen, improving the nation's health and well-being and providing opportunities to give back and support neighbors, the YMCA enables youth, adults, families and communities to connect and engage to increase confidence, health and security.

Program Activities

**Youth Development** – Our YMCA is committed to nurturing the potential of every child and teen. We believe that all kids deserve the opportunity to discover who they are and what they can achieve. That is why we help young people cultivate the values, skills and relationships that lead to positive behaviors, better health and educational achievement. Our YMCA programs, from swim lessons and resident camp to basketball and quality child care offer a range of experiences that enrich cognitive, social, physical and emotional growth. In addition, we collaborate and strategically align with our community partners to identify, connect and engage with the most vulnerable and at-risk students to overcome their barriers and inspire them toward greater education, training, college and the workforce.

**Healthy Living** – The YMCA is a community leader in engaging and inspiring healthy living. Our intention is to provide the highest quality facilities and equipment, delivered with well-trained and nationally-certified staff, made available and accessible to everyone. Although we work to communicate our important, charitable intentions, we do not see this in any way as a substitute for quality. Therefore, we recruit great trainers and instructors then ensure all members receive access. This allows us to bring families closer together, encourage good health and foster connections through fitness, sports, guidance and resources they need to achieve greater health in spirit, mind and body. This is particularly important as our nation struggles with an obesity crisis, families struggle with work/life balance and individuals search for personal fulfillment.

**Social Responsibility** – Our YMCA believes in connecting people and engaging them on critical needs in facing our community. Together, we work with our members, program participants, staff and donors to give back and support everyone, especially our most vulnerable and under-served. Since 1858, our Y has been convening, listening and responding to our community's most critical social needs that we deliver successfully in the same marketplace as businesses and services who are not concerned with accessibility for all people. YMCA programs, especially those focused on young children, students and teens are examples of how we deliver training, resources and support that empower our neighbors to effect change, bridge gaps and overcome obstacles. We engage YMCA members, participants and volunteers in activities that strengthen our community and pave the way for future generations to thrive. Our efforts are serving people from all backgrounds, religions, gender and socio-economic circumstances including adults affected by cancer, young people negatively influenced away from productive futures, young children not given complete educational opportunities, seniors disconnected from social environments and families faced with mounting economic obstacles.

As part of our mission, our programs are not only accessible, affordable and open to all faiths, backgrounds, abilities and income levels, but they are also delivered in a high-quality, innovative and market-competitive environment based on easy access for every child, adult, senior and family. We celebrate the spiritual strength that we create by working together.

YMCA of the Iowa Mississippi Valley

Notes to Financial Statements

(1) Nature of Organization and Summary of Significant Accounting Policies, continued

Nature of Organization, continued

The YMCA of the Iowa Mississippi Valley consists of six locations with programs that include swim lessons, specialty aquatics, aquatic fitness, personal wellness and training, adult and youth fitness classes, family programs, community events, summer camps and youth sports sessions. The Organization is supported primarily through membership, program revenue and public contributions. The Organization previously operated under the name Scott County Family Y until it changed to YMCA of the Iowa Mississippi Valley in 2020.

Summary of Significant Accounting Policies

(a) Accounting Estimates

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

(b) Basis of Presentation

Resources are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. Revenues received and expenses incurred in conducting the programs and services of the Organization are presented in the financial statements as operating funds that increase or decrease net assets without donor restrictions. By action of the Board of the Organization (the Board), certain net assets without donor restrictions have been designated for long-term investment or other special purposes as follows:

Board - Designated for Reserve - Net assets designated by the Board of Directors to establish a reserve.

Board - Designated for Endowment - Net assets designated by the Board of Directors for endowment. The Organization's spending policy for endowment funds is based on the discretion of the Board of Directors. Currently, there are no specified limitations imposed, other than prior approval of the Board before use of funds.

Board - Designated for Equipment - Net assets designated by the Board for equipment at the new facility.

Net Assets with Donor Restrictions - Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

The Organization evaluated subsequent events through April 15, 2021, which is the date the financial statements were available to be issued.

YMCA of the Iowa Mississippi Valley

Notes to Financial Statements

(1) Nature of Organization and Summary of Significant Accounting Policies, continued

Nature of Organization, continued

(c) Operating Activities

Operating activities reflect all transactions increasing or decreasing net assets except those items associated with long-term investment such as contributions for endowment and facilities and equipment and investment returns in excess of amounts designated for current operations.

(d) Revenue Recognition

The Organization has multiple revenue streams that are accounted for as reciprocal exchange transactions relating to membership and program fees. As the Organization's performance obligations related to these revenue streams have a duration of less than one year, the Organization has elected to apply the optional exemption provided in FASB ASC 2014-09 "Revenue from Controls with Customers" and therefore, is not required to provide disclosure of allocations of transaction price to its performance obligations. There are no incremental costs of obtaining membership and program contracts and no significant financing components.

Membership Dues and Program Fees: Membership dues and program fees consist of amounts that families and individuals pay to participate in health, fitness, education and recreation activities and programs. Members join for varying lengths of time and may cancel with 30 days' notice. Members generally pay a one-time joining fee plus monthly dues in advance. Memberships provide use of recreation and fitness facilities, access to free classes, programs and activities and discounts to fee-based programs.

The Organization offers a variety of programs including family, child care, day camp, resident camp, teen, scholastic, fitness, aquatics and health services. Fee-based programs are available to the public. Program fees for short duration programs of two months or less, such as aquatics classes, are typically paid in advance at the time of registration. Program fees for longer duration programs, such as fee-based childcare, are usually paid monthly in advance. Cancellation provisions vary by program, but most transactions are cancellable with a 15-to-30-day notice. Refunds may be available for services not provided. Financial assistance is available to members and program participants which is reflected as a reduction of gross membership dues and program fees.

Membership dues and program fees are recognized ratably on a straight-line basis as revenue in the applicable period the membership or program service is provided which reflects the consideration the Organization expects to be entitled to in exchange for those services. These contract revenues represent performance obligations satisfied over time. Fees are specific to a distinct performance obligation and do not consist of multiple transactions. Fees paid in advance represent contract liabilities and are recorded as deferred revenue until recognized as revenue in the applicable period. Amounts billed but unpaid are contract assets and are recorded as accounts receivable.

Government Contract Revenues: The Organization contracts with city, state and federal agencies to provide a variety of programs to the public based on contract requirements. Such contracts from government agencies are recorded as revenue as performance obligations are satisfied which generally is when the related expenditures are incurred.

Included in government receivables are contract assets for unbilled services and receivables for billed unpaid services.

YMCA of the Iowa Mississippi Valley

Notes to Financial Statements

(1) Nature of Organization and Summary of Significant Accounting Policies, continued

Summary of Significant Accounting Policies, continued

(e) Support and Expenses

Contributions received and unconditional promises to give are recognized as revenue in the period the contribution or the unconditional promise is received. The Organization reports contributions of cash or other assets as without donor restrictions or with donor restrictions depending on the existence or nature of any donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction or event occurs, 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.

Contributions of assets other than cash are recorded at their fair values at the date of the gift.

Expenses are recorded when incurred in accordance with the accrual basis of accounting. Revenues, support and expenses are allocated directly to the programs to which they relate.

(f) Donated Services

The Organization receives a significant amount of volunteer time relating to clerical activities and program services that do not meet the criteria for recognition as a contribution since such services do not require specialized skills. The estimated value of these donated services is not included in the financial statements since they are not susceptible to objective measurement.

(g) Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and in the statements of functional expenses. Personnel costs, occupancy and administrative expenses and depreciation have been allocated between program and supporting services classifications on the basis of time records, actual expense and/or on estimates made by the Organization's management.

(h) In-Kind and Bartering Activities

The Organization periodically provides membership trade outs to large local area employers or local sports teams which amounted to approximately \$168,000 and \$209,000 for the years ended December 31, 2020 and 2019, respectively. In exchange for the membership trade outs, the Organization received approximately \$25,000 in advertising for each of the years ended December 31, 2020 and 2019, respectively. These transactions are recorded as contributions, expenses or reduced membership fees in the statement of activities.

(i) Cash and Cash Equivalents

Cash and cash equivalents include all cash accounts which are not subject to withdrawal restrictions or penalties and all highly liquid debt instruments purchased with an original maturity of six months or less.

YMCA of the Iowa Mississippi Valley

Notes to Financial Statements

(1) Nature of Organization and Summary of Significant Accounting Policies, continued

Summary of Significant Accounting Policies, continued

(j) Contributions Receivable

The receipt of unconditional promises to give with payments due in future periods is reported as donor restricted support unless explicit donor stipulations or circumstances surrounding the receipt of the promise make clear that the donor intended it to be used to support activities of the current period. Unconditional promises to give are reported at the present value of estimated future cash flows, net of the allowance for uncollectible promises, using a discount rate that approximates the interest rate on government securities at the date the unconditional promise is received. Amortization of the discount is recorded as additional contribution revenue.

(k) Daycare Receivables

Daycare receivables are carried at original invoice amount less an estimate made for doubtful receivables. Management determines the allowance for doubtful accounts by identifying trouble accounts and by using historical experience applied to new billings. Daycare receivables are written off when deemed uncollectible. Recoveries of daycare receivables previously written off are recorded as revenue when received. There was no significant expense for uncollectible receivables for the years ended December 31, 2020 and 2019. A daycare receivable is considered to be past due if any portion of the receivable balance is outstanding for more than 90 days.

(l) Inventories

Inventories amounted to \$24,400 and \$30,600 at December 31, 2020 and 2019, respectively and are stated at the lower of cost (first-in, first-out method) or market. Inventories are included in other current assets on the statement of financial position.

(m) Investments

Investments are stated at fair market value as determined by quoted market prices with unrealized gains and losses included in the statement of activities. The certificates of deposit are valued based on original cost-plus accrued interest which approximates fair value. Gains and losses on sales of investments are determined by the specific-identification method. Realized and unrealized gains and losses in investments, interest and dividends are reported as increases and decreases in net assets without donor restrictions unless the income is restricted by donor or law.

Investment income is reported in the statement of activities net of related advisory fees which amounted to \$32,251 and \$34,757 for the years ended December 31, 2020 and 2019, respectively.

(n) Property and Equipment

Property and equipment is stated at cost. Depreciation is computed by the straight-line method over the estimated useful lives. The amortization on assets acquired under capital leases is included with depreciation on owned assets.

The Organization's policy is to capitalize assets in excess of \$1,000 and to capitalize improvements to exhibits which are expected to benefit the Organization 20 years or more.

YMCA of the Iowa Mississippi Valley

Notes to Financial Statements

(1) Nature of Organization and Summary of Significant Accounting Policies, continued

Summary of Significant Accounting Policies,

(o) Income Tax Status

The Organization has received notification that it qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and a similar section of the state statutes and, accordingly, is not subject to federal or state income taxes except on any unrelated business net income the Organization may have.

The Organization evaluates the tax benefits of a tax position using the “more likely than not” threshold. As of December 31, 2020, management is not aware of any uncertain tax positions and related tax benefits which would be material to the Organization’s financial statements. The Organization files U.S. Federal tax returns which for years subsequent to 2016 are subject to examination by taxing authorities.

(p) Advertising Costs

Advertising costs are expensed as incurred and amounted to \$164,282 and \$145,587 for the years ended December 31, 2020 and 2019, respectively.

(2) Pledges Receivable

The Organization conducted a capital campaign to provide funds to assist with the construction of a new facility which was completed in 2020. Unconditional pledges at December 31, 2020 and 2019 are expected to be collected as follows:

	<u>2020</u>	<u>2019</u>
Gross amounts due in:		
Less than one year	\$1,619,274	2,277,165
One to five years	3,672,576	4,513,295
Six to ten years	<u>2,440,000</u>	<u>2,501,333</u>
Total pledges receivable	7,731,850	9,291,793
Less net present value discount	<u>110,907</u>	<u>319,045</u>
Net pledges receivable	7,620,943	8,972,748
Less current portion	<u>1,618,060</u>	<u>2,566,492</u>
Long-term portion	<u>\$6,002,883</u>	<u>6,406,256</u>

Management has determined that an allowance for uncollectible pledges is not required based on regular evaluations of the collectability of individual pledges receivable. There were no bad debts arising from pledges charged to expense in 2020 and 2019.

(3) Investments

The Organization maintains investments in the following funds as of December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Board designated:		
Reserve fund	\$7,779,361	4,848,783
Endowment fund	965,302	637,740
Donor restricted - capital campaign	<u>591,791</u>	<u>372,753</u>
	<u>\$9,336,454</u>	<u>5,859,276</u>

The donor restricted funds held for the capital campaign consist of money market accounts which will be used to reduce the pledge loan debt described in note 7.

YMCA of the Iowa Mississippi Valley

Notes to Financial Statements

(3) Investments, continued

The composition of investments, at fair value, as of December 31, 2020 and 2019 is as follows:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$2,644,149	404,767
Equity securities	2,554,974	2,019,341
Fixed income securities	3,803,321	3,151,002
Mutual funds - real estate	188,593	145,243
Pooled investments	<u>145,417</u>	<u>138,923</u>
	<u>\$9,336,454</u>	<u>5,859,276</u>

Gross unrealized gains and (losses) relating to investments amounted to \$564,491 and \$(74,905), respectively, as of December 31, 2020 and \$259,110 and \$(87,926), respectively, as of December 31, 2019.

The Organization is a 1/8 beneficiary of two Weinzwieg Trusts, which are considered to be temporarily restricted net assets. As of January 1, 2011, one of the trusts began paying 5% of the trust corpus to the beneficiaries each year. Annually, the asset is adjusted to 1/8 of the fair value of the assets held in the trust accounts. The fair value of the Trusts as of December 31, 2020 and 2019 amounted to \$282,951 and \$349,023, respectively. Changes in the fair value of the underlying assets in the trusts are reported as unrealized gains (losses) on the statement of activities.

The Quad Cities Community Foundation holds funds in the name of the Organization which can be released at the request of the Organization and approval of Community Foundation's board. Annually, the asset is adjusted based on the statement value to the fair value held in the fund. Funds held by the Community Foundation in the name of the Organization amounted to \$132,103 and \$127,176 as of December 31, 2020 and 2019, respectively. The Community Foundation of Dubuque also holds funds in the name of the Organization which amounted to \$13,314 and \$11,747 at December 31, 2020 and 2019, respectively, which is also adjusted annually based on the reported statement value. Changes in the fair value of the underlying assets of these funds are reported as miscellaneous revenue on the statement of activities.

The Organization's investments are exposed to various risks such as interest rate, market and credit. Due to the level of risk associated with such investments and the level or uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in risks in the near term could materially affect investment balances and the amounts reported in the financial statements.

(4) Fair Value Measurements

The fair values of investments consist of the following as of December 31, 2020 and 2019:

	<u>Fair Value</u>	<u>Fair Value Measurements Using:</u>	
		Quoted Market Prices (Level 1)	Significant Other Observable Inputs (Level 3)
<u>December 31, 2020:</u>			
Cash and cash equivalents	\$2,644,149	2,644,149	-
Equity securities	2,554,974	2,554,974	-
Fixed income securities	3,803,321	3,803,321	-
Mutual funds - real estate	188,593	188,593	-
Pooled investments	145,417	-	145,417
Weinzwieg Trusts	<u>282,951</u>	-	<u>282,951</u>
	<u>\$9,619,405</u>	<u>9,191,037</u>	<u>428,368</u>



YMCA of the Iowa Mississippi Valley

Notes to Financial Statements

(4) Fair Value Measurements, continued

The fair values of investments consist of the following as of December 31, 2020 and 2019:

	<u>Fair Value</u>	<u>Fair Value Measurements Using:</u>	
		<u>Quoted Market Prices (Level 1)</u>	<u>Significant Other Observable Inputs (Level 3)</u>
<u>December 31, 2019:</u>			
Cash and cash equivalents	\$ 404,767	404,767	-
Equity securities	2,019,341	2,019,341	-
Fixed income securities	3,151,002	3,151,002	-
Mutual funds - real estate	145,243	145,243	-
Pooled investments	138,923	-	138,923
Weinzweig Trusts	<u>349,023</u>	-	<u>349,023</u>
	<u>\$6,208,299</u>	<u>5,720,353</u>	<u>487,946</u>

The fair value measurement accounting literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of quoted prices in active markets of similar assets for assets in non-active markets and Level 3 inputs consist of other valuation techniques which have the lowest priority. The Organization uses appropriate valuation techniques based on the availability of inputs to measure the fair value of its investments. When available, the Organization measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value.

Level 1 Fair Value Measurements

The fair value of all investments, except the pooled investments and the Weinzweig Trusts, are based on quoted market prices in active markets.

Level 3 Fair Value Measurements:

The fair value of the Weinzweig Trusts is based on values reported to the Organization on an annual basis. The underlying assets in the Trusts consist of fixed income and equity securities. The pooled investments primarily consist of funds held by two community foundations which are maintained in a pooled separate account in which the underlying assets of the accounts are publicly traded investments with quoted market prices. Thus, the fair value of the Organization's investment is based on the quoted market prices of the investments within the pooled separate accounts.

YMCA of the Iowa Mississippi Valley

Notes to Financial Statements

(5) Liquidity and Availability of Financial Assets

The following reflects the Organization's financial assets as of the balance sheet date, reduced by amounts not available for general use within one year of the balance sheet date because of contractual or donor-imposed restrictions or internal designations. Amounts not available include amounts set aside for long-term investing in the board designated funds that could be drawn upon if the governing board approves that action.

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$1,568,079	3,180,588
Certificates of deposit	-	302,474
Receivables	8,042,530	9,473,880
Investments	9,336,454	5,859,276
Trusts	<u>282,951</u>	<u>349,023</u>
Total financial assets	19,230,013	19,165,241
Contractual or donor-imposed restrictions:		
Trusts	( 282,951)	( 349,023)
Donor restrictions - capital campaign	( 8,213,256)	( 9,309,909)
Program restrictions	( 51,059)	( 39,398)
Deferred revenue – grants	( 367,677)	( 400,000)
Board designated:		
Equipment fund	( 423,494)	( 1,425,779)
Board reserve fund	( 7,779,361)	( 4,848,783)
Endowment fund	<u>( 965,302)</u>	<u>( 637,740)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$1,146,914</u>	<u>2,154,609</u>

In the event of unanticipated liquidity need, the Organization could also draw up a \$500,000 line of credit described in note 7.

(6) Property and Equipment

The Organization completed construction of a new facility in Davenport, Iowa during 2020 at a total cost of approximately \$22,803,000. In connection with the construction project, the Organization obtained construction loan (see note 7) and conducted a capital campaign (see note 2).

The Organization has vacated its old facility and management is evaluating various sale and disposal options. Management believes the estimated net realizable value of the old facility is \$150,000 as of December 31, 2020. As a result, the property has been included in other assets in the statement of financial position at \$150,000 resulting in a write down of \$354,261 from the net book value of the property which has been reflected in the statement of activities for the year ended December, 31, 2020.

(7) Indebtedness

The Organization has a \$500,000 line of credit with a bank with interest at the *Wall Street Journal* prime rate (effective rate of 3.25% and 4.75% at December 31, 2020 and 2019, respectively). Borrowings on this line of credit are secured by substantially all assets of the Organization. The line of credit matures November 30, 2021. There were no outstanding borrowings on this line of credit as of December 31, 2020 and 2019.

YMCA of the Iowa Mississippi Valley

Notes to Financial Statements

(7) Indebtedness, continued

The Organization obtained a \$17,260,000 construction loan dated October 30, 2020. The construction loan consists of a multi-year pledge loan of \$8,500,000 and a term loan of \$8,760,000. A summary of long-term debt at December 31, 2020 and 2019 is as follows:

	<u>2020</u>	<u>2019</u>
Note payable to a bank (pledge loan), interest at 1.74% due quarterly; principal payments of \$1,200,000 due annually from 2021 through 2026 and a final principal payment of \$1,100,000 due December 2027, secured by substantially all assets.	\$ 8,300,000	-
Notes payable to a bank (term loan) interest only payments through February 2021 then monthly payments of \$43,522 including interest at 2.45% through February 2026 with a balloon payment of \$4,727,222; secured by substantially all assets.	<u>6,739,061</u>	<u>-</u>
Total long-term debt	15,039,061	-
Less current installments	<u>1,521,453</u>	<u>-</u>
Long-term debt, net of current installments	<u>\$13,517,608</u>	<u>-</u>

The terms of the note payable to a bank included a financial covenant relating to the maintenance of a minimum fixed charge coverage ratio which the Organization was in compliance with for the years ended December 31, 2020 and 2019.

The aggregate future maturities of long-term debt as of December 31, 2020 are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2021	\$ 1,521,453
2022	1,592,605
2023	1,600,844
2024	1,608,934
2025	1,617,835
Thereafter	<u>7,097,390</u>
	<u>\$15,039,061</u>

CARES Act Assistance

The Organization obtained a loan of \$1,195,700 on April 17, 2020 under the Small Business Administration Payroll Protection Program (PPP) authorized under the CARES Act. Repayment of the loan is deferred for ten months and the loan carries an interest rate of 1%. The PPP loan is forgivable if the Organization incurs qualifying payroll and other expenses in excess of the loan amount within 24 weeks of when the loan funds were received. The Organization met the qualifying payroll and expense criteria and was notified by SBA on November 10, 2020, that the PPP loan and related interest was forgiven. As a result, the Organization recorded the \$1,195,700 loan forgiveness amount as grant revenue in the statement of activities.

The CARES Act also provides eligible employers a refundable tax credit (ERC) based on qualified wages paid to employees during the period March 13, 2020 to December 31, 2020. Management believes the Organization is eligible to receive the ERC and anticipates filing amended payroll tax returns in 2021 after further guidance from the IRS regarding the credit is available. An estimate of the amount of the credit has not been determined as of the date of our report and the financial statements do not include an accrual for the credit.

YMCA of the Iowa Mississippi Valley

Notes to Financial Statements

(8) Net Assets with Donor Restrictions

Net assets with donor restrictions are available for the following as of December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Program services	\$ 51,059	39,398
Capital campaign	8,213,256	9,309,909
Weinzweig trusts	<u>282,951</u>	<u>349,023</u>
	<u>\$8,547,266</u>	<u>9,698,330</u>

(9) Employee Insurance and Retirement Benefits

The Organization self-insures the cost of its unemployment compensation expenses. The Organization has accrued an estimated liability for unemployment compensation claims of \$37,000 and \$34,000 as of December 31, 2020 and 2019, respectively, which is included in accrued expenses on the statement of financial position.

The YMCA of the Iowa Mississippi Valley participates in The YMCA Retirement Fund Retirement Plan (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 (Code) 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. The Retirement Plan is subject to the Employee Retirement Income Security Act of 1974 pursuant to Section 401(d) 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 (1921) organized and operated for the purpose of providing retirement and other benefits for employees of YMCAs throughout the United States. The plans are operated as church pension plans. Participation is available to all duly organized and reorganized YMCAs and their eligible employees. As a defined contribution plan, the Retirement Plan and Tax-Deferred Savings Plan have no unfunded benefit obligations.

In accordance with the agreement, contributions for the YMCA Retirement Fund Retirement Plan are a percentage of the participating employees' salary which are paid by the Organization. Total contributions charged to retirement costs were approximately \$298,800 and \$324,000, respectively, for the fiscal years ended December 31, 2020 and 2019, respectively.

Contributions to The YMCA Retirement Fund Tax-Deferred Savings Plan are withheld from employees' salaries and remitted to The YMCA Retirement Fund. There is no matching employer contribution in this plan.

(10) Contingent Liabilities

The Organization has claims pending that generally involve minor accidents occurring at their facilities. These claims have been submitted to the Organization's insurance company. It is not possible at this time to determine the ultimate amount, if any, that will not be covered by the liability insurance.

The Organization is involved in various litigation and claims arising in the ordinary course of business. These claims are covered under the Organization's commercial insurance policies and in the opinion of management, the ultimate resolution of these matters will not have a material effect on its financial statements.

YMCA of the Iowa Mississippi Valley

Notes to Financial Statements

(11) Commitments

The Organization has two 25-year shared use agreements with Davenport Community School District (DCSD) whereby the Organization is responsible for operation of the recreational facilities and for the repair, replacement and maintenance of the interior of the facilities and all furnishings, fixtures and equipment used in the facilities at Davenport North High School (North) and Davenport West High School (West). Per these agreements, the Organization purchased or reimbursed DCSD for certain building improvements, furnishings, fixtures and equipment at these facilities that are currently included with property and equipment on the Organization's statement of financial position and has a total depreciated cost of approximately \$321,800 and \$219,000 as of December 31, 2020 and 2019, respectively. The North facility opened in November 2002 and the West facility opened in September 2003. The shared use agreement was amended September 1, 2014 whereby DCSD assumed full responsibility for the operation of the swimming pool at the West facility with the Organization paying a rental fee for usage in accordance with an agreed-upon rent schedule.

The Organization has a facility management agreement with the City of Maquoketa, Iowa (City), for operating the Maquoketa Area Recreation Center (ARC) as a YMCA branch through June 30, 2025. Per this agreement, YMCA membership dues, program revenues and local fundraising, coupled with targeted operating and startup costs provided by the City are intended to cover the costs of operating the ARC/YMCA branch. To the extent that the costs of operating the ARC/YMCA branch exceed the branch revenues and targeted City funding, the City is obligated under the agreement to make up the shortfall. Therefore, the risk to the Organization is limited to the risk that the City would be unable to perform its obligations under the agreement.

Under the agreement, the City pays the Organization \$7,000 monthly intended to reimburse the Organization for its administrative cost incurred by its corporate staff supporting the ARC/YMCA branch. The revenues and expenses related to this agreement are included in unrestricted Program Service Fees on the statement of activities and change in net assets.

The Organization entered into a three-year agreement with The BettPlex, LLC to lease space at the sports complex to operate a gymnastics program. The agreement requires monthly payments of \$4,166 beginning January 2020 and also requires the Organization to invest at least \$75,000 in gymnastic equipment.

The Organization has agreed to participate in the development of a YMCA facility in Eldridge, Iowa. Under the arrangement, the City of Eldridge and North Scott Community School District would each contribute \$7.0 million and the Organization would contribute up to \$1.0 million towards the project. The facility would be managed by the Organization and is not anticipated to be operational until the spring of 2022.

(12) Concentration of Credit Risk

The Organization maintains its cash and cash equivalent accounts in local commercial banks. Deposits may at times exceed the amount insured by the Federal Deposit Insurance Corporation (FDIC). Uninsured cash balances amounted to approximately \$3,670,000 and \$3,590,000 as of December 31, 2020 and 2019, respectively. Management believes that the credit risk related to these deposits is minimal.

(13) Payments to Affiliates

The Organization made payments to the National YMCA designed for dues and services for the years ended December 31, 2020 and 2019 of \$102,514 and \$159,661, respectively.

**YMCA of the Iowa Mississippi Valley**

**Notes to Financial Statements**

**(14) Financial Assistance Provided**

The Organization provides financial assistance, through contributions and other fundraising, to help defray the costs of membership and program and other fees for individuals with need. Membership dues and program fees are recorded net of such assistance in the accompanying statements of activities. Such amounts were as follows for the years ended December 31, 2020 and 2019:

	<u>2020</u>		<u>2019</u>	
Membership	\$6,619,973	100.00%	7,977,819	100.00%
Less membership financial assistance	<u>674,741</u>	<u>10.19%</u>	<u>811,528</u>	<u>10.17%</u>
Membership, net	<u>\$5,945,232</u>	<u>89.81%</u>	<u>7,166,291</u>	<u>89.83%</u>
Program fees	3,432,198	100.00%	4,926,241	100.00%
Less program financial assistance	<u>424,296</u>	<u>12.36%</u>	<u>561,907</u>	<u>11.41%</u>
Program fees, net	<u>\$3,007,902</u>	<u>87.64%</u>	<u>4,364,334</u>	<u>88.59%</u>
Other assistance – program grants	<u>\$ 164,748</u>		<u>179,462</u>	
Total assistance	<u>\$1,263,785</u>		<u>1,552,897</u>	

**(15) Conditional Promise to Give**

The Organization has been notified that they are a 1/3 beneficiary of an estate. Receipt of the proceeds is conditional on the death of the one remaining income beneficiary. The total value of the estate at December 31, 2020 was approximately \$2,230,000. The asset and revenue will not be recorded until the donor restrictions have been met.

**(16) Recent Accounting Pronouncements**

In February 2016, the Financial Accounting Standards Board issued ASU 2016-02 “Leases”. The pronouncement requires recognition of lease assets and lease liabilities by lessees for leases generally with a term of 12 months or more. ASU 2016-02 will become effective for the Organization’s 2022 financial statements.

Management is currently analyzing the pronouncement to determine its impact to the Organization.

**(17) COVID19 Impact**

During early 2020, a virus strain (COVID19) spread around the world reaching pandemic levels. In response to COVID19, federal and state governments have issued restrictive regulations which substantially limit or reduce the operations and activities of businesses and individuals. Additionally, the potential economic impact of COVID19 has resulted in a significant fluctuation in the stock market.

The Organization was required to close its facilities for a period of time during 2020 which negatively affected operations and programs. Management of the Organization continues to closely monitor the status of the pandemic and respond to further restrictive measures imposed by the government agencies. Management is not able to determine the continuing impact of the pandemic on future operations.

Independent Auditor's Report on Supplementary Information

The Board of Directors  
YMCA of the Iowa Mississippi Valley:

We have audited the financial statements of YMCA of the Iowa Mississippi Valley as of and for the years ended December 31, 2020 and 2019, and our report thereon dated April 15, 2021, which expressed an unmodified opinion on those financial statements, appears on page 1. Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole.

The supplementary information included in the schedules is presented for purposes of additional analysis of the financial statements and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Anderson, Lower, Whitlow, P.C.*

Bettendorf, Iowa  
April 15, 2021

**YMCA of the Iowa Mississippi Valley**  
**Individual Fund Schedules of Financial Position**

December 31, 2020

<u>Assets</u>	<u>Operating</u>	<u>Land, Building and Equipment</u>	<u>Capital Campaign</u>	<u>Endowment</u>	<u>Capital Campaign Facility</u>	<u>Capital Campaign North Scott</u>	<u>Total</u>
<b>Current assets:</b>							
Cash and cash equivalents	\$ 1,144,585	423,494	-	-	-	522	1,568,601
Certificates of deposit	-	-	-	-	-	-	-
Receivables	421,587	-	-	-	-	-	421,587
Pledge receivable - current portion	-	-	-	-	1,618,060	-	1,618,060
Other assets	24,400	-	-	-	-	-	24,400
Prepaid expenses	<u>26,814</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,814</u>
<b>Total current assets</b>	<b><u>1,617,386</u></b>	<b><u>423,494</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>1,618,060</u></b>	<b><u>522</u></b>	<b><u>3,659,462</u></b>
Property and equipment	-	39,985,493	3,011,059	-	9,715,155	-	52,711,707
Transfer of assets	-	12,726,214	(3,011,059)	-	(9,715,155)	-	-
Less accumulated depreciation	<u>-</u>	<u>(11,305,588)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(11,305,588)</u>
<b>Net property and equipment</b>	<b><u>-</u></b>	<b><u>41,406,119</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>41,406,119</u></b>
Pledge's receivable, net of current portion	-	-	-	-	6,002,883	-	6,002,883
Investments	282,951	7,779,361	-	965,302	591,791	-	9,619,405
Other assets	<u>203,899</u>	<u>150,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>353,899</u>
<b>Total assets</b>	<b><u>\$ 2,104,236</u></b>	<b><u>49,758,974</u></b>	<b><u>-</u></b>	<b><u>965,302</u></b>	<b><u>8,212,734</u></b>	<b><u>522</u></b>	<b><u>61,041,768</u></b>
<b><u>Liabilities and Net Assets</u></b>							
<b>Current liabilities:</b>							
Accounts payable	124,708	1,449,221	-	-	-	-	1,573,929
Accrued expenses	552,491	-	-	-	-	-	552,491
Deferred revenue membership/program	327,566	-	-	-	-	-	327,566
Deferred revenue grants	440,080	-	-	-	-	-	440,080
Current installments of long-term debt	<u>-</u>	<u>1,521,453</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,521,453</u>
<b>Total current liabilities</b>	<b><u>1,444,845</u></b>	<b><u>2,970,674</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>4,415,519</u></b>
Long-term debt, net of current installments	<u>-</u>	<u>13,517,608</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,517,608</u>
<b>Total liabilities</b>	<b><u>1,444,845</u></b>	<b><u>16,488,282</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>17,933,127</u></b>
<b>Net assets:</b>							
Without donor restrictions	325,381	33,270,692	-	965,302	-	-	34,561,375
With donor restrictions	<u>334,010</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,212,734</u>	<u>522</u>	<u>8,547,266</u>
<b>Total net assets</b>	<b><u>659,391</u></b>	<b><u>33,270,692</u></b>	<b><u>-</u></b>	<b><u>965,302</u></b>	<b><u>8,212,734</u></b>	<b><u>522</u></b>	<b><u>43,108,641</u></b>
<b>Total liabilities and net assets</b>	<b><u>\$ 2,104,236</u></b>	<b><u>49,758,974</u></b>	<b><u>-</u></b>	<b><u>965,302</u></b>	<b><u>8,212,734</u></b>	<b><u>522</u></b>	<b><u>61,041,768</u></b>



YMCA of the Iowa Mississippi Valley

Individual Fund Schedules of Financial Position, continued

December 31, 2019

<u>Assets</u>	<u>Operating</u>	<u>Land, Building and Equipment</u>	<u>Capital Campaign</u>	<u>Endowment</u>	<u>Capital Campaign Facility</u>	<u>Total</u>
<b>Current assets:</b>						
Cash and cash equivalents	\$2,056,836	1,123,305	447	-	-	3,180,588
Certificates of deposit	-	302,474	-	-	-	302,474
Receivables	501,132	-	-	-	-	501,132
Pledge receivable - current portion	-	-	24,919	-	2,541,573	2,566,492
Other assets	30,600	-	-	-	-	30,600
Prepaid expenses	<u>34,037</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>34,037</u>
<b>Total current assets</b>	<b><u>2,622,605</u></b>	<b><u>1,425,779</u></b>	<b><u>25,366</u></b>	<b><u>-</u></b>	<b><u>2,541,573</u></b>	<b><u>6,615,323</u></b>
Property and equipment	-	26,145,236	3,011,059	-	8,275,513	37,431,808
Transfer of assets	-	11,286,572	(3,011,059)	-	(8,275,513)	-
Less accumulated depreciation	<u>-</u>	<u>(14,669,764)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(14,669,764)</u>
<b>Net property and equipment</b>	<b><u>-</u></b>	<b><u>22,762,044</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>22,762,044</u></b>
Pledge's receivable, net of current portion	-	-	10,673	-	6,395,583	6,406,256
Investments	349,023	4,848,783	-	637,740	372,753	6,208,299
Other assets	<u>149,492</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>149,492</u>
<b>Total assets</b>	<b><u>\$3,121,120</u></b>	<b><u>29,036,606</u></b>	<b><u>36,039</u></b>	<b><u>637,740</u></b>	<b><u>9,309,909</u></b>	<b><u>42,141,414</u></b>
<b><u>Liabilities and Net Assets</u></b>						
<b>Current liabilities:</b>						
Accounts payable	1,125,623	108,636	-	-	-	1,234,259
Accrued expense	517,839	-	-	-	-	517,839
Deferred revenue membership/program	398,400	-	-	-	-	398,400
Deferred revenue grants	<u>505,398</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>505,398</u>
Current portion of long-term debt	<u>2,547,260</u>	<u>108,636</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,655,896</u>
<b>Total current liabilities</b>	<b><u>2,547,260</u></b>	<b><u>108,636</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>2,655,896</u></b>
<b>Net assets:</b>						
Without donor restrictions	185,439	28,927,970	36,039	637,740	-	29,787,188
With donor restrictions	<u>388,421</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,309,909</u>	<u>9,698,330</u>
<b>Total net assets</b>	<b><u>573,860</u></b>	<b><u>28,927,970</u></b>	<b><u>36,039</u></b>	<b><u>637,740</u></b>	<b><u>9,309,909</u></b>	<b><u>39,485,518</u></b>
<b>Total liabilities and net assets</b>	<b><u>\$3,121,120</u></b>	<b><u>29,036,606</u></b>	<b><u>36,039</u></b>	<b><u>637,740</u></b>	<b><u>9,309,909</u></b>	<b><u>42,141,414</u></b>

**YMCA of the Iowa Mississippi Valley**

**Individual Fund Schedules of Activities and Change in Net Assets**

**Year Ended December 31, 2020**

	<u>Operating</u>								
	<u>YMCA of the IMV</u>	<u>Maquoketa</u>	<u>Total</u>	<u>Land, Buildings and Equipment</u>	<u>Capital Campaign</u>	<u>Endowment</u>	<u>Capital Campaign Facility</u>	<u>Capital Campaign North Scott</u>	<u>Total</u>
<b>Revenue:</b>									
Grants and contributions	\$2,273,323	105,200	2,378,523	-	(20,746)	162,152	342,614	522	2,863,065
Membership services	5,599,975	345,256	5,945,231	-	-	-	-	-	5,945,231
Program revenue	2,971,846	36,057	3,007,903	-	-	-	-	-	3,007,903
Other revenue, including realized and unrealized gains (losses)	<u>82,278</u>	<u>17,785</u>	<u>100,063</u>	<u>333,314</u>	-	<u>77,910</u>	-	-	<u>511,287</u>
Total revenue	<u>10,927,422</u>	<u>504,298</u>	<u>11,431,720</u>	<u>333,314</u>	<u>(20,746)</u>	<u>240,062</u>	<u>342,614</u>	<u>522</u>	<u>12,327,486</u>
<b>Expenses:</b>									
Salaries and payroll related expenses	5,153,599	294,915	5,448,514	-	-	-	-	-	5,448,514
Operating expenses	1,765,384	209,383	1,974,767	-	-	-	148	-	1,974,915
Interest expense	-	-	-	-	-	-	-	-	-
Total expenses	<u>6,918,983</u>	<u>504,298</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>148</u>	<u>-</u>	<u>7,423,429</u>
Change in net assets before grants, depreciation and transfers	<u>4,008,439</u>	<u>-</u>	<u>4,008,439</u>	<u>333,314</u>	<u>(20,746)</u>	<u>240,062</u>	<u>342,466</u>	<u>522</u>	<u>4,904,057</u>
<b>Grants:</b>									
Capital grants	43,275	-	43,275	-	-	-	-	-	43,275
Property and equipment acquired	( 43,275)	-	( 43,275)	43,275	-	-	-	-	-
Total grants	<u>-</u>	<u>-</u>	<u>-</u>	<u>43,275</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>43,275</u>
<b>Interfund transfers:</b>									
Current fixed asset purchases	( 35,408)	-	( 35,408)	20,183,641	(15,293)	-	(1,439,641)	-	18,693,299
New Y operating fund	-	-	-	( 2,000,020)	-	-	-	-	( 2,000,020)
Debt proceeds US Bank notes	-	-	-	( 15,039,059)	-	-	-	-	(15,039,059)
Open accounts payable Bittner Y	-	-	-	( 1,449,220)	-	-	-	-	( 1,449,220)
Operating fund 2019	-	-	-	( 205,000)	-	-	-	-	( 205,000)
Board reserve funding	( 2,600,000)	-	( 2,600,000)	2,600,000	-	-	-	-	-
Bittner Y Funding	( 1,200,000)	-	( 1,200,000)	1,200,000	-	-	-	-	-
Endorsement	( 87,500)	-	( 87,500)	-	-	87,500	-	-	-
Total interfund transfers	<u>( 3,922,908)</u>	<u>-</u>	<u>( 3,922,908)</u>	<u>5,290,342</u>	<u>(15,293)</u>	<u>87,500</u>	<u>(1,439,641)</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net assets before depreciation and write down of property	85,531	-	85,531	5,666,931	(36,039)	327,562	(1,097,175)	522	4,947,332
Depreciation	-	-	-	969,948	-	-	-	-	969,948
Write down of property	-	-	-	354,261	-	-	-	-	354,261
Increase (decrease) in net assets	<u>85,531</u>	<u>-</u>	<u>85,531</u>	<u>4,342,722</u>	<u>(36,039)</u>	<u>327,562</u>	<u>(1,097,175)</u>	<u>522</u>	<u>3,623,123</u>
Net assets, beginning of year	<u>573,860</u>	<u>-</u>	<u>573,860</u>	<u>28,927,970</u>	<u>36,039</u>	<u>637,740</u>	<u>9,309,909</u>	<u>-</u>	<u>39,485,518</u>
Net assets, end of year	<u>\$ 659,391</u>	<u>-</u>	<u>659,391</u>	<u>33,270,692</u>	<u>-</u>	<u>965,302</u>	<u>8,212,734</u>	<u>522</u>	<u>43,108,641</u>

YMCA of the Iowa Mississippi Valley

Individual Fund Schedules of Activities and Change in Net Assets, continued

Year Ended December 31, 2019

	<u>Operating</u>			<u>Land, Buildings and Equipment</u>	<u>Capital Campaign</u>	<u>Endowment</u>	<u>Capital Campaign Facility</u>	<u>Total</u>
	<u>YMCA of the IMV</u>	<u>Maquoketa</u>	<u>Total</u>					
<b>Revenue:</b>								
Grants and contributions	\$ 930,896	100,200	1,031,096	-	( 1,755)	9,269	7,657,856	8,696,466
Membership services	6,780,308	385,983	7,166,291	-	-	-	-	7,166,291
Program revenue	4,298,361	65,974	4,364,335	-	-	-	-	4,364,335
Other revenue, including realized and unrealized gains (losses)	<u>159,357</u>	<u>113,561</u>	<u>272,918</u>	<u>563,237</u>	<u>-</u>	<u>97,943</u>	<u>12,476</u>	<u>946,574</u>
Total revenue	<u>12,168,922</u>	<u>665,718</u>	<u>12,834,640</u>	<u>563,237</u>	<u>( 1,755)</u>	<u>107,212</u>	<u>7,670,332</u>	<u>21,173,666</u>
<b>Expenses:</b>								
Salaries and payroll related expenses	6,196,333	377,675	6,574,008	-	-	-	-	6,574,008
Operating expenses	2,414,898	288,043	2,702,941	-	-	-	129	2,703,070
Interest expense	-	-	-	<u>37,746</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,746</u>
Total expenses	<u>8,611,231</u>	<u>665,718</u>	<u>9,276,949</u>	<u>37,746</u>	<u>-</u>	<u>-</u>	<u>129</u>	<u>9,314,824</u>
Change in net assets before grants, depreciation and transfers	<u>3,557,691</u>	<u>-</u>	<u>3,557,691</u>	<u>525,491</u>	<u>( 1,755)</u>	<u>107,212</u>	<u>7,670,203</u>	<u>11,858,842</u>
<b>Grants:</b>								
Capital grants	81,140	-	81,140	-	-	-	-	81,140
Property and equipment acquired	( 81,140)	-	( 81,140)	<u>81,140</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total grants	<u>-</u>	<u>-</u>	<u>-</u>	<u>81,140</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>81,140</u>
<b>Interfund transfers:</b>								
Debt proceeds - US Bank note	( 943,412)	-	( 943,412)	3,611,418	-	-	(2,668,006)	-
Current fixed asset purchases	( 1,079,420)	-	( 1,079,420)	1,106,420	( 27,000)	-	-	-
Debt repayment - US Bank note	( 126,171)	-	( 126,171)	126,171	-	-	-	-
Debt repayment - Fitness Prof	( 600,000)	-	( 600,000)	600,000	-	-	-	-
Board reserve funding	( 205,000)	-	( 205,000)	205,000	-	-	-	-
Equipment reserve - new facility	( 600,000)	-	( 600,000)	600,000	-	-	-	-
Total interfund transfers	<u>( 3,554,003)</u>	<u>-</u>	<u>( 3,554,003)</u>	<u>6,249,009</u>	<u>( 27,000)</u>	<u>-</u>	<u>(2,668,006)</u>	<u>-</u>
Increase (decrease) in net assets before depreciation	3,688	-	3,688	6,855,640	( 28,755)	107,212	5,002,197	11,939,982
Depreciation	<u>-</u>	<u>-</u>	<u>-</u>	<u>896,995</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>896,995</u>
Increase (decrease) in net assets	3,688	-	3,688	5,958,645	( 28,755)	107,212	5,002,197	11,042,987
Net assets, beginning of year	<u>570,172</u>	<u>-</u>	<u>570,172</u>	<u>22,969,325</u>	<u>64,794</u>	<u>530,528</u>	<u>4,307,712</u>	<u>28,442,531</u>
Net assets, end of year	<u>\$ 573,860</u>	<u>-</u>	<u>573,860</u>	<u>28,927,970</u>	<u>36,039</u>	<u>637,740</u>	<u>9,309,909</u>	<u>39,485,518</u>