

YMCA of the Iowa Mississippi Valley

Financial Statements

December 31, 2022 and 2021

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

YMCA of the Iowa Mississippi Valley

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Independent Auditor's Report

The Board of Directors
YMCA of the Iowa Mississippi Valley:

Opinion

We have audited the accompanying financial statements of YMCA of the Iowa Mississippi Valley (a nonprofit organization), which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of YMCA of the Iowa Mississippi Valley as of December 31, 2022 and 2021 and the changes in its net assets and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audits in accordance with U.S. generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of YMCA of the Iowa Mississippi Valley and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about YMCA of the Iowa Mississippi Valley's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit for the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness YMCA of the Iowa Mississippi Valley's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about YMCA of the Iowa Mississippi Valley's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control related matters that we identified during the audit.

Anderson, Lower, Whitlow, P.C.

Bettendorf, Iowa
June 15, 2023

YMCA of the Iowa Mississippi Valley

Statements of Financial Position

December 31, 2022 and 2021

<u>Assets (note 7)</u>	<u>2022</u>	<u>2021</u>
Current assets:		
Cash and cash equivalents	\$ 6,102,344	4,565,510
Receivables		
Pledges – current portion (note 2)	1,174,851	1,149,797
Daycare	64,913	53,253
United Way	55,726	53,957
Grants and other	116,682	215,991
Prepaid expenses	47,031	52,117
Inventories	21,100	18,200
Total current assets	<u>7,582,647</u>	<u>6,108,825</u>
Property and equipment (note 6):		
Land	3,889,333	3,697,843
Building and improvements	42,897,403	41,551,426
Equipment and vehicles	7,714,034	7,228,584
Construction in progress	29,859	29,859
	<u>54,530,629</u>	<u>52,507,712</u>
Less accumulated depreciation	14,457,670	12,822,278
Net property and equipment	<u>40,072,959</u>	<u>39,685,434</u>
Pledges – net of current portion (note 2)	3,161,276	4,437,645
Investments (notes 3 and 4)	14,200,986	12,064,432
Temporarily restricted asset – Weinzwieg Trusts (notes 3 and 4)	249,368	301,950
Other assets (note 6)	739,987	418,977
Total assets	<u>\$ 66,007,223</u>	<u>63,017,263</u>
<u>Liabilities and Net Assets</u>		
Current liabilities:		
Current installments of long-term debt (note 7)	1,718,189	1,854,091
Accounts payable	749,714	80,626
Accrued expenses (note 10)	733,837	667,074
Deferred revenue:		
Membership dues and programs	365,404	213,568
Grants	361,733	362,240
Other	227,294	205,016
Child care stabilization grant (note 8)	782,623	-
Iowa fitness grant funds (note 8)	-	1,000,000
Refundable advance – Payroll Protection Program (note 8)	-	1,195,710
Total current liabilities	<u>4,938,794</u>	<u>5,578,325</u>
Long-term debt, net of current installments (note 7)	8,587,656	10,259,243
Total liabilities	<u>13,526,450</u>	<u>15,837,568</u>
Net assets:		
Without donor restrictions:		
Undesignated	33,746,917	28,320,097
Board – designated for reserve (note 3)	12,716,244	10,883,728
Board – designated for equipment	-	423,494
Board – designated for endowment (note 3)	984,899	1,123,750
Total without donor restrictions	<u>47,448,060</u>	<u>40,751,069</u>
With donor restrictions (notes 3 and 9)	5,032,713	6,428,626
Total net assets	<u>52,480,773</u>	<u>47,179,695</u>
Total liabilities and net assets	<u>\$ 66,007,223</u>	<u>63,017,263</u>

See accompanying notes to financial statements.

YMCA of the Iowa Mississippi Valley

Statements of Activities

Years Ended December 31, 2022 and 2021

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Operating activities:						
Public support:						
Contributions	\$ 771,833	-	771,833	730,144	-	730,144
United Way	68,557	55,726	124,283	48,741	53,957	102,698
Grants (note 8)	4,863,673	-	4,863,673	1,303,996	-	1,303,996
Special events, net	99,114	-	99,114	90,180	-	90,180
Net assets released from restrictions – satisfaction of program restrictions	53,957	(53,957)	-	51,059	(51,059)	-
Total public support	5,857,134	1,769	5,858,903	2,224,120	2,898	2,227,018
Revenue:						
Membership fees, net (note 14)	7,110,627	-	7,110,627	6,148,184	-	6,148,184
Program fees, net (note 14)	4,100,571	-	4,100,571	3,752,113	-	3,752,113
Merchandise sales	67,500	-	67,500	75,059	-	75,059
Miscellaneous	153,766	-	153,766	190,141	-	190,141
Total revenue	11,432,464	-	11,432,464	10,165,497	-	10,165,497
Total public support and revenue	17,289,598	1,769	17,291,367	12,389,617	2,898	12,392,515
Operating expenses:						
Program services:						
Youth development	4,505,483	-	4,505,483	3,866,462	-	3,866,462
Healthy living	4,667,437	-	4,667,437	4,635,717	-	4,635,717
Social responsibility	121,687	-	121,687	128,194	-	128,194
Total program services	9,294,607	-	9,294,607	8,630,373	-	8,630,373
Support services:						
Management and general	1,516,938	-	1,516,938	1,404,173	-	1,404,173
Fundraising	31,853	-	31,853	54,941	-	54,941
Total support services	1,548,791	-	1,548,791	1,459,114	-	1,459,114
Total operating expenses	10,843,398	-	10,843,398	10,089,487	-	10,089,487
Changes in net assets from operations	6,446,200	1,769	6,447,969	2,300,130	2,898	2,303,028
Non-operating activities:						
Net realized and unrealized gain (loss) on investments	(1,504,223)	-	(1,504,223)	751,111	-	751,111
Investment income, net	214,307	-	214,307	171,922	-	171,922
Contributions for endowment	-	-	-	14,908	-	14,908
Contributions for capital assets	-	351,546	351,546	-	273,963	273,963
Grants	21,037	-	21,037	70,790	-	70,790
Gain on sale of fixed assets (note 6)	10,814	-	10,814	761,859	-	761,859
Interest expense	(240,372)	-	(240,372)	(276,527)	-	(276,527)
Net assets released from restriction – satisfaction of purpose restriction	1,749,228	(1,749,228)	-	2,395,501	(2,395,501)	-
Total non-operating activities	250,791	(1,397,682)	(1,146,891)	3,889,564	(2,121,538)	1,768,026
Changes in net assets	6,696,991	(1,395,913)	5,301,078	6,189,694	(2,118,640)	4,071,054
Net assets, beginning of year	40,751,069	6,428,626	47,179,695	34,561,375	8,547,266	43,108,641
Net assets, end of year	\$ 47,448,060	5,032,713	52,480,773	40,751,069	6,428,626	47,179,695

See accompanying notes to financial statements.

YMCA of the Iowa Mississippi Valley

Statements of Functional Expenses

Year Ended December 31, 2022

	Program Services				Support Services			Totals
	Youth Development	Healthy Living	Social Responsibility	Total Program Services	Management and General	Fundraising	Total Support Services	
Personnel costs:								
Salaries and wages	\$ 2,525,327	1,836,786	80,751	4,442,864	879,225	-	879,225	5,322,089
Payroll related expenses and benefits	480,845	376,071	19,971	876,887	212,153	-	212,153	1,089,040
Total personnel costs	3,006,172	2,212,857	100,722	5,319,751	1,091,378	-	1,091,378	6,411,129
Non-personnel costs:								
Utilities	88,157	688,480	440	777,077	2,828	-	2,828	779,905
Maintenance supplies and equipment repairs	66,728	266,212	-	332,940	943	-	943	333,883
Contract services	77,311	132,707	-	210,018	39,182	-	39,182	249,200
Professional services	-	-	-	-	28,537	-	28,537	28,537
Program supplies	148,452	26,930	2,834	178,216	-	-	-	178,216
Food	255,779	-	-	255,779	-	-	-	255,779
Advertising and promotion	616	87,336	-	87,952	55,027	-	55,027	142,979
Building, vehicle and liability insurance	34,254	170,847	-	205,101	-	-	-	205,101
Merchandise supplies	38,075	3,047	-	41,122	-	-	-	41,122
National dues (note 13)	-	-	-	-	160,750	-	160,750	160,750
Rent	50,870	-	-	50,870	-	-	-	50,870
Equipment rental	330	2,160	-	2,490	-	-	-	2,490
Postage	471	600	-	1,071	13,002	-	13,002	14,073
Office supplies	3,014	5,947	75	9,036	5,379	289	5,668	14,704
Training and conference	3,562	7,770	15	11,347	10,333	-	10,333	21,680
Meetings	326	3,186	-	3,512	5,310	-	5,310	8,822
Recruitment	-	-	-	-	6,938	-	6,938	6,938
Mileage reimbursement	9,806	6,374	-	16,180	2,227	-	2,227	18,407
Bank charges	-	32,255	-	32,255	31,495	-	31,495	63,750
Other expense	32,119	60,896	4,494	97,509	45,433	-	45,433	142,942
Depreciation expense	689,441	959,833	13,107	1,662,381	18,176	31,564	49,740	1,712,121
Total non-personnel costs	1,499,311	2,454,580	20,965	3,974,856	425,560	31,853	457,413	4,432,269
Total expenses	\$ 4,505,483	4,667,437	121,687	9,294,607	1,516,938	31,853	1,548,791	10,843,398

See accompanying notes to financial statements.

YMCA of the Iowa Mississippi Valley

Statements of Functional Expenses, continued

Year Ended December 31, 2021

	Program Services				Support Services			Totals
	Youth Development	Healthy Living	Social Responsibility	Total Program Services	Management and General	Fundraising	Total Support Services	
Personnel costs:								
Salaries and wages	\$ 2,067,925	1,843,969	90,907	4,002,801	826,175	-	826,175	4,828,976
Payroll related expenses and benefits	437,474	395,628	31,294	864,396	264,324	-	264,324	1,128,720
Total personnel costs	2,505,399	2,239,597	122,201	4,867,197	1,090,499	-	1,090,499	5,957,696
Non-personnel costs:								
Utilities	83,785	627,344	480	711,609	3,328	-	3,328	714,937
Maintenance supplies and equipment repairs	34,906	223,755	-	258,661	-	-	-	258,661
Contract services	52,776	170,326	-	223,102	119	-	119	223,221
Professional services	-	-	-	-	23,275	-	23,275	23,275
Program supplies	104,639	21,503	-	126,142	-	-	-	126,142
Food	197,382	-	-	197,382	-	-	-	197,382
Advertising and promotion	-	69,991	-	69,991	31,000	10,673	41,673	111,664
Building, vehicle and liability insurance	40,470	168,315	-	208,785	1	-	1	208,786
Merchandise supplies	40,484	1,967	-	42,451	-	-	-	42,451
National dues (note 13)	-	-	-	-	167,651	-	167,651	167,651
Rent	112,865	-	-	112,865	-	-	-	112,865
Equipment rental	2,829	2,897	-	5,726	941	-	941	6,667
Postage	960	2,008	-	2,968	7,353	1,552	8,905	11,873
Office supplies	1,020	2,771	-	3,791	5,058	297	5,355	9,146
Training and conference	3,970	6,921	500	11,391	8,991	-	8,991	20,382
Meetings	132	2,492	-	2,624	2,860	-	2,860	5,484
Recruitment	30	31	-	61	3,846	-	3,846	3,907
Mileage reimbursement	6,430	11,987	320	18,737	2,248	-	2,248	20,985
Bank charges	2,909	26,968	-	29,877	28,327	-	28,327	58,204
Other expense	16,788	57,671	2,362	76,821	1,893	-	1,893	78,714
Depreciation expense	658,688	999,173	2,331	1,660,192	26,783	42,419	69,202	1,729,394
Total non-personnel costs	1,361,063	2,396,120	5,993	3,763,176	313,674	54,941	368,615	4,131,791
Total expenses	\$ 3,866,462	4,635,717	128,194	8,630,373	1,404,173	54,941	1,459,114	10,089,487

See accompanying notes to financial statements.

YMCA of the Iowa Mississippi Valley

Statements of Cash Flows

Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:		
Increase in net assets	\$ 5,301,078	4,071,054
Adjustments to reconcile increase in net assets to net cash provided by (used in) operating activities:		
Depreciation	1,712,121	1,729,394
Gain of sale of fixed assets	(10,814)	(761,859)
Net (appreciation) depreciation in fair value of investments	1,525,016	(442,553)
Net realized (gain) loss on sale of investments	49,357	(290,137)
Net change in Weinzweig Trusts	52,582	(18,999)
Capital campaign pledges paid for new facility	(1,602,861)	(7,884,918)
Refundable advance forgiveness recorded as grant revenue	(1,195,710)	-
Changes to assets and liabilities affecting operations:		
Pledges receivable, net of discount	1,251,315	2,033,501
Daycare, United Way, grants and other receivables	85,880	98,386
Prepaid expenses	5,086	(25,303)
Other current assets	(2,900)	6,200
Accounts payable	669,088	(1,493,303)
Accrued expenses	66,763	114,583
Deferred revenue	173,607	13,178
Deferred child care stabilization grant	782,623	-
Deferred Iowa fitness grant funds	(1,000,000)	1,000,000
Net cash provided by (used in) operating activities	<u>7,862,231</u>	<u>(1,850,776)</u>
Cash flows from investing activities:		
Purchases of investments	(13,499,658)	(9,442,574)
Proceeds from sale of investments	9,788,731	7,447,286
Increase in other assets	(321,010)	(65,078)
Purchase of property and equipment	(2,102,332)	(742,479)
Proceeds from sale of fixed assets	13,500	1,495,629
Net cash used in investing activities	<u>(6,120,769)</u>	<u>(1,307,216)</u>
Cash flows from financing activities		
Proceeds from issuance of long-term debt	-	1,443,699
Proceeds from refundable advance	-	1,195,710
Capital campaign pledges paid for new facility	1,602,861	7,884,918
Principal payments on long-term debt	(1,807,489)	(4,369,426)
Net cash provided by (used in) financing activities	<u>(204,628)</u>	<u>6,154,901</u>
Net increase in cash and cash equivalents	1,536,834	2,996,909
Cash and cash equivalents at beginning of year	4,565,510	1,568,601
Cash and cash equivalents at end of year	<u>\$ 6,102,344</u>	<u>4,565,510</u>
Supplemental disclosure of cash flow information:		
Cash paid for interest	\$ <u>240,372</u>	<u>276,527</u>
Supplemental disclosure of noncash investing and financing activities:		
Refundable advance forgiveness recorded as grant revenue	\$ <u>1,195,710</u>	<u>-</u>

See accompanying notes to financial statements.

YMCA of the Iowa Mississippi Valley

Notes to Financial Statements

December 31, 2022 and 2021

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

Nature of Organization

Since 1858, the YMCA of the Iowa Mississippi Valley's (YMCA or the Organization) 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 YMCA 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 Equipment – Net assets designated by the Board for equipment at the new facility.

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.

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 June 15, 2023, which is the date the financial statements were available to be issued.

(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.

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

(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 Contracts 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 fees for services contract requirements. Such fees 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.

(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.

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, continued

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 reduced membership trade outs to large local area employers or local sports teams which amounted to approximately \$186,900 and \$179,500 for the years ended December 31, 2022 and 2021, respectively. In exchange for the membership trade outs, the Organization received approximately \$31,000 in advertising for the years ended December 31, 2022 and 2021. These transactions are recorded as contributions, expenses or 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.

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 \$6,406,000 and \$3,852,000 as of December 31, 2022 and 2021, respectively. Management believes that the credit risk related to these deposits is minimal.

(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, 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 contribution revenue.

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

(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, 2022 and 2021. 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 \$21,100 and \$18,200 at December 31, 2022 and 2021, respectively and are stated at the lower of cost (first-in, first-out method) or market.

(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. 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 \$62,619 and \$45,052 for the years ended December 31, 2022 and 2021, 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.

(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, 2022, 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 2018 are subject to examination by taxing authorities.

(p) Advertising Costs

Advertising costs are expensed as incurred and amounted to \$142,979 and \$111,664 for the years ended December 31, 2022 and 2021, respectively.

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

(q) Leases

Payments related to short-term operating leases with terms of 12 months or less are recognized as rent expense as incurred. The Organization has no significant operating leases with terms greater than 12 months which should be recognized as right-of-use assets with a corresponding lease liability at December 31, 2022 and 2021.

(2) Pledges Receivable

The Organization conducted capital campaigns to provide funds to assist with the construction of a new facility completed in 2020 and to assist with the construction of another new facility, which was completed in 2022. Unconditional pledges at December 31, 2022 and 2021 are expected to be collected as follows:

	<u>2022</u>	<u>2021</u>
Gross amounts due in:		
Less than one year	\$ 1,216,927	1,152,950
One to five years	2,223,319	2,862,686
Six to ten years	<u>1,035,000</u>	<u>1,785,000</u>
Total pledges receivable	4,475,246	5,800,636
Less net present value discount	<u>139,119</u>	<u>213,194</u>
Net pledges receivable	4,336,127	5,587,442
Less current portion	<u>1,174,851</u>	<u>1,149,797</u>
Long-term portion	<u>\$ 3,161,276</u>	<u>4,437,645</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 2022 and 2021.

(3) Investments

The Organization maintains investments in the following funds as of December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Board designated:		
Reserve fund	\$ 12,716,244	10,883,728
Endowment fund	984,899	1,123,750
Donor restricted – capital campaign	<u>499,843</u>	<u>56,954</u>
	<u>\$ 14,200,986</u>	<u>12,064,432</u>

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

The composition of investments, at fair value, as of December 31, 2022 and 2021 is as follows:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 1,541,576	558,164
Equity securities	6,024,062	6,764,742
Fixed income securities	6,191,525	4,290,109
Mutual funds – real estate and alternative	316,177	292,603
Pooled investments – Community Foundations	<u>127,646</u>	<u>158,814</u>
	<u>\$ 14,200,986</u>	<u>12,064,432</u>

YMCA of the Iowa Mississippi Valley

Notes to Financial Statements

(3) Investments, continued

Gross unrealized gains and (losses) relating to investments amounted to \$850,151 and \$(1,443,028), respectively, as of December 31, 2022 and \$1,159,577 and \$(227,438), respectively, as of December 31, 2021.

The Organization is a 1/8 beneficiary of two Weinzweig 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, 2022 and 2021 amounted to \$249,368 and \$301,950, respectively. Changes in the fair value of the underlying assets in the trusts are reported as contributions 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 \$114,028 and \$142,787 as of December 31, 2022 and 2021, respectively. The Community Foundation of Dubuque also holds funds in the name of the Organization which amounted to \$13,618 and \$16,027 at December 31, 2022 and 2021, 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 unrealized gains (losses) 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 of 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, 2022 and 2021:

	Fair Value	Fair Value Measurements Using:	
		Quoted Market Prices (Level 1)	Significant Other Unobservable Inputs (Level 3)
<u>December 31, 2022</u>			
Cash and cash equivalents	\$ 1,541,576	1,541,576	-
Equity securities	6,024,062	6,024,062	-
Fixed income securities	6,191,525	6,191,525	-
Mutual funds – real estate and alternative	316,177	316,177	-
Pooled investments – Foundations	127,646	-	127,646
Weinzweig Trusts	249,368	-	249,368
	<u>\$ 14,450,354</u>	<u>14,073,340</u>	<u>377,014</u>
<u>December 31, 2021</u>			
Cash and cash equivalents	\$ 558,164	558,164	-
Equity securities	6,764,742	6,764,742	-
Fixed income securities	4,290,109	4,290,109	-
Mutual funds – real estate and alternative	292,603	292,603	-
Pooled investments – Foundations	158,814	-	158,814
Weinzweig Trusts	301,950	-	301,950
	<u>\$ 12,366,382</u>	<u>11,905,618</u>	<u>460,764</u>

YMCA of the Iowa Mississippi Valley

Notes to Financial Statements

(4) Fair Value Measurements, continued

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. There were no investments that required the use of level 2 inputs in 2022 and 2021 and there were no changes in the methods used to measure fair value in 2022 and 2021.

Level 1 Fair Value Measurements

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

Level 3 Fair Value Measurements:

The fair value of the Weinzwieg 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.

(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>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 6,102,344	4,565,510
Receivables	4,573,448	5,910,643
Investments	14,200,986	12,064,432
Trusts	249,368	301,950
Total financial assets	25,126,146	22,842,535
Contractual or donor-imposed restrictions:		
Trusts	(249,368)	(301,950)
Donor restrictions – capital campaigns	(5,350,639)	(6,072,719)
Program restrictions	(55,726)	(53,957)
Deferred revenue – grants	(214,423)	(268,017)
Iowa fitness grant funds	-	(1,000,000)
Childcare stabilization grant funds	(782,623)	-
Board designated:		
Equipment fund	-	(423,494)
Board reserve fund	(12,716,244)	(10,883,728)
Endowment fund	(984,899)	(1,123,750)
Financial assets available to meet cash needs for general expenditures within one year	\$ 4,772,224	2,714,920

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

YMCA of the Iowa Mississippi Valley

Notes to Financial Statements

(6) Property and Equipment

The Organization vacated its old facility and management is evaluating various sale and disposal options. Management believes the estimated net realizable value of the old facility was \$150,000 as of December 31, 2021 and is \$436,290 as of December 31, 2022. The value of the property increased \$286,290 during 2022 due to tear down costs related to the building that increased the value of the property. The increase in the value of the property has been included in the other asset balance as of December 31, 2022.

During the year ending December 31, 2021, the Organization sold parcels of land to an unrelated third party, which resulted in net proceeds of \$1,474,528 and a realized gain of \$768,856.

(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 7.50% and 3.25% at December 31, 2022 and 2021, respectively). Borrowings on this line of credit are secured by substantially all assets of the Organization. The line of credit matures November 30, 2023. There were no outstanding borrowings on this line of credit as of December 31, 2022 and 2021.

The Organization obtained a \$17,260,000 construction loan in 2020 which 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, 2022 and 2021 is as follows:

	<u>2022</u>	<u>2021</u>
Note payable to a bank (pledge loan), interest at 1.74% due quarterly; principal payments of \$1,200,000 due annually through 2025 and a final principal payment of \$998,000 due December 2026; secured by substantially all assets.	\$ 4,598,000	5,900,000
Notes payable to a bank (term loan) interest only payments through February 2021 then monthly payments of \$54,508, including interest at 2.45%, through March 2026 with a balloon payment of \$3,984,047; secured by substantially all assets.	<u>5,707,845</u>	<u>6,213,334</u>
Total long-term debt	10,305,845	12,113,334
Less current installments	<u>1,718,189</u>	<u>1,854,091</u>
Long-term debt, net of current installments	\$ <u>8,587,656</u>	\$ <u>10,259,243</u>

The terms of the notes payable to a bank includes 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, 2022 and 2021.

The aggregate future maturities of long-term debt as of December 31, 2022 are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2023	\$ 1,718,189
2024	1,730,855
2025	1,744,547
2026	<u>5,112,254</u>
	\$ <u>10,305,845</u>

YMCA of the Iowa Mississippi Valley

Notes to Financial Statements

(8) CARES Act and Government Assistance

Payroll protection program – The Organization obtained a loan of \$1,195,700 on April 27, 2021 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 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 June 30, 2022, that the PPP loan and related interest was forgiven and accordingly, the Organization recorded the \$1,195,700 loan forgiveness amount as grant income in 2022 on the statement of activities.

Earned retention credit – The CARES Act also provides eligible employers a refundable tax credit (ERC) based on a percentage of qualified wages paid (subject to limits) to an employee during certain periods of 2021 and 2020. Management determined the Organization qualified to receive the ERC and filed applicable payroll tax forms in 2021 to claim these credits. The ERC received during the years ended December 31, 2022 and 2021 amounted to \$1,187,870 and \$720,688, respectively, and is recorded as grant income in the statement of activities in the year in which the funds were received. The Organization also qualified and submitted payroll tax forms for ERC of \$805,742, which has been received in 2023 and will be recorded as grant income in 2023.

Iowa fitness center relief program – Iowa Economic Development Authority (IEDA) received funds from the CARES Act to pass through to eligible fitness centers. The funds were to help fitness centers with operational expenses incurred after March 2020. The Organization applied for and received \$1,000,000 from IEDA in December 2021. The Organization received formal guidance from IEDA during 2022 that identified the Organization as a beneficiary as well as what qualifying operating expenses are covered under the grant. Management determined that the organization met the qualifying expense conditions of the grant and recognized the entire \$1,000,000 as grant income in 2022.

Child care stabilization grants – Iowa Department of Human Services (IDHS) received funds from the American Rescue Plan to pass through to eligible child care facilities. The funds are to support qualified child care providers with operational costs during 2022 and 2023. The Organization received \$2,186,686 from IDHS during the year ended December 31, 2022 and incurred qualifying operational expenses during 2022 of \$1,404,063 related to the grant, which is recognized as grant income. The remaining funds of \$782,623 are considered a current liability as of December 31, 2022 and will be recognized as grant income during 2023 when the qualified expenses are incurred.

(9) Net Assets with Donor Restrictions

Net assets with donor restrictions relate to the following as of December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Program services	\$ 55,726	53,957
Capital campaigns	4,727,619	6,072,719
Weinzweig trusts	249,368	301,950
	<u>\$ 5,032,713</u>	<u>6,428,626</u>

(10) 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 \$29,000 and \$39,000 as of December 31, 2022 and 2021, respectively, which is included in accrued expenses on the statement of financial position.

YMCA of the Iowa Mississippi Valley

Notes to Financial Statements

(10) Employee Insurance and Retirement Benefits, continued

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 \$279,300 and \$309,400, respectively, for the years ended December 31, 2022 and 2021, 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.

(11) 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.

(12) 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 \$256,800 and \$288,600 as of December 31, 2022 and 2021, 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.

YMCA of the Iowa Mississippi Valley

Notes to Financial Statements

(12) Commitments, continued

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 \$6,700 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 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 is managed by the Organization and became operational in 2022.

The Organization and City of Bettendorf entered into a 20-year operating agreement on October 4, 2022 related to an aquatic facility. The Organization is responsible for staffing and operating the aquatic facility and the City of Bettendorf is responsible for the construction. The agreement requires the Organization to contribute up to \$4,569,160 toward the planning, design and construction of the aquatic facility. The Organization purchased a fitness center from the City during 2022 for \$1,430,480, which is included as part of the contribution. The remaining contribution is expected to be made in 2023.

(13) Payments to Affiliates

The Organization made payments to the National YMCA designed for dues and services for the years ended December 31, 2022 and 2021 of \$160,750 and \$167,651, respectively.

(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, 2022 and 2021:

	2022		2021	
Membership	\$ 8,169,066	100.00%	7,008,351	100.00%
Less membership financial assistance	<u>1,058,439</u>	<u>12.96%</u>	<u>860,167</u>	<u>12.27%</u>
Membership, net	<u>\$ 7,110,627</u>	<u>87.04%</u>	<u>6,148,184</u>	<u>87.73%</u>
Program fees	4,364,918	100.00%	4,155,657	100.00%
Less program financial assistance	<u>264,347</u>	<u>6.06%</u>	<u>403,544</u>	<u>9.71%</u>
Program fees, net	<u>\$ 4,100,571</u>	<u>93.94%</u>	<u>3,752,113</u>	<u>90.29%</u>
Other assistance – program grants	<u>\$ 196,767</u>		<u>227,784</u>	
Total assistance	<u>\$ 1,519,553</u>		<u>1,491,495</u>	

YMCA of the Iowa Mississippi Valley

Notes to Financial Statements

(15) Conditional Promise to Give

The Organization has been notified that they are a 1/3 beneficiary of an estate. Receipt of the proceeds from the estate is conditional on the death of the one remaining income beneficiary. The total value of the estate at December 31, 2022 and 2021 was \$1,995,000 and \$2,416,000, respectively. 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 (FASB) 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 became effective for the Organization's 2022 financial statements. Management determined that the recognition of right-to-use assets and related lease liabilities for those leases with terms of 12 months or more were not significant to the Organization's financial statements.

(17) Economic Impacts

The COVID-19 virus and other national and worldwide factors have led to significant volatility in the financial markets and economic uncertainty. The factors have affected, and may continue to affect, the Organization's operations. The potential future impact of these conditions is difficult to assess or predict and the Organization is not able to estimate the full impact of these conditions on their financial statements.

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, 2022 and 2021, and our report thereon dated June 15, 2023, which expressed an unmodified opinion on those financial statements, appears on pages 1 and 2. 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
June 15, 2023**

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

December 31, 2022

<u>Assets</u>	<u>Operating</u>	<u>Land, Building and Equipment</u>	<u>Endowment</u>	<u>Capital Campaign Facility</u>	<u>Capital Campaign North Scott</u>	<u>Capital Campaign Maquoketa</u>	<u>Total</u>
Current assets:							
Cash and cash equivalents	\$ 5,587,676	-	-	-	238,268	276,400	6,102,344
Receivable	237,321	-	-	-	-	-	237,321
Pledge receivable – current portion	-	-	-	1,089,351	85,500	-	1,174,851
Inventories	21,100	-	-	-	-	-	21,100
Prepaid expenses	47,031	-	-	-	-	-	47,031
Total current assets	<u>5,893,128</u>	<u>-</u>	<u>-</u>	<u>1,089,351</u>	<u>323,768</u>	<u>276,400</u>	<u>7,582,647</u>
Property and equipment	-	44,467,136	-	-	9,691,655	371,838	54,530,629
Transfer of assets	-	10,063,493	-	-	(9,691,655)	(371,838)	-
Less accumulated depreciation	-	(14,457,670)	-	-	-	-	(14,457,670)
Net property and equipment	<u>-</u>	<u>40,072,959</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,072,959</u>
Pledge's receivable, net of current portion	-	-	-	3,087,827	73,449	-	3,161,276
Investments	249,368	12,716,244	984,899	499,843	-	-	14,450,354
Other assets	303,697	436,290	-	-	-	-	739,987
Total assets	<u>\$ 6,446,193</u>	<u>53,225,493</u>	<u>984,899</u>	<u>4,677,021</u>	<u>397,217</u>	<u>276,400</u>	<u>66,007,223</u>
<u>Liabilities and Net Assets</u>							
Current liabilities:							
Accounts payable	126,695	-	-	100,000	263,869	259,150	749,714
Accrued expenses	733,837	-	-	-	-	-	733,837
Deferred revenue membership/program	592,698	-	-	-	-	-	592,698
Deferred revenue grants	361,733	-	-	-	-	-	361,733
Child care stabilization grant	782,623	-	-	-	-	-	782,623
Current installments of long-term debt	-	1,718,189	-	-	-	-	1,718,189
Total current liabilities	<u>2,597,586</u>	<u>1,718,189</u>	<u>-</u>	<u>100,000</u>	<u>263,869</u>	<u>259,150</u>	<u>4,938,794</u>
Long-term debt, net of current installments	-	8,587,656	-	-	-	-	8,587,656
Total liabilities	<u>2,597,586</u>	<u>10,305,845</u>	<u>-</u>	<u>100,000</u>	<u>263,869</u>	<u>259,150</u>	<u>13,526,450</u>
Net assets:							
Without donor restrictions	3,543,513	42,919,648	984,899	-	-	-	47,448,060
With donor restrictions	305,094	-	-	4,577,021	133,348	17,250	5,032,713
Total net assets	<u>3,848,607</u>	<u>42,919,648</u>	<u>984,899</u>	<u>4,577,021</u>	<u>133,348</u>	<u>17,250</u>	<u>52,480,773</u>
Total liabilities and net assets	<u>\$ 6,446,193</u>	<u>53,225,493</u>	<u>984,899</u>	<u>4,677,021</u>	<u>397,217</u>	<u>276,400</u>	<u>66,007,223</u>

YMCA of the Iowa Mississippi Valley

Individual Fund Schedules of Financial Position, continued

December 31, 2021

<u>Assets</u>	<u>Operating</u>	<u>Land, Building and Equipment</u>	<u>Endowment</u>	<u>Capital Campaign Facility</u>	<u>Capital Campaign North Scott</u>	<u>Capital Campaign Maquoketa</u>	<u>Total</u>
Current assets:							
Cash and cash equivalents	\$ 2,941,477	1,195,710	-	250,000	161,073	17,250	4,565,510
Receivable	323,201	-	-	-	-	-	323,201
Pledge receivable – current portion	-	-	-	1,027,435	122,362	-	1,149,797
Inventories	18,200	-	-	-	-	-	18,200
Prepaid expenses	52,117	-	-	-	-	-	52,117
Total current assets	3,334,995	1,195,710	-	1,277,435	283,435	17,250	6,108,825
Property and equipment	-	42,816,057	-	-	9,691,655	-	52,507,712
Transfer of assets	-	9,691,655	-	-	(9,691,655)	-	-
Less accumulated depreciation	-	(12,822,278)	-	-	-	-	(12,822,278)
Net property and equipment	-	39,685,434	-	-	-	-	39,685,434
Pledge's receivable, net of current portion	-	-	-	4,370,558	67,087	-	4,437,645
Investments	301,950	10,883,728	1,123,750	56,954	-	-	12,366,382
Other assets	268,977	150,000	-	-	-	-	418,977
Total assets	\$ 3,905,922	51,914,872	1,123,750	5,704,947	350,522	17,250	63,017,263
<u>Liabilities and Net Assets</u>							
Current liabilities:							
Accounts payable	80,626	-	-	-	-	-	80,626
Accrued expenses	667,074	-	-	-	-	-	667,074
Deferred revenue membership/program	418,584	-	-	-	-	-	418,584
Deferred revenue grants	362,240	-	-	-	-	-	362,240
Iowa fitness grant funds	1,000,000	-	-	-	-	-	1,000,000
Refundable advance – Payroll Protection Program	-	1,195,710	-	-	-	-	1,195,710
Current installments of long-term debt	-	1,854,091	-	-	-	-	1,854,091
Total current liabilities	2,528,524	3,049,801	-	-	-	-	5,578,325
Long-term debt, net of current installments	-	10,259,243	-	-	-	-	10,259,243
Total liabilities	2,528,524	13,309,044	-	-	-	-	15,837,568
Net assets:							
Without donor restrictions	1,021,491	38,605,828	1,123,750	-	-	-	40,751,069
With donor restrictions	355,907	-	-	5,704,947	350,522	17,250	6,428,626
Total net assets	1,377,398	38,605,828	1,123,750	5,704,947	350,522	17,250	47,179,695
Total liabilities and net assets	\$ 3,905,922	51,914,872	1,123,750	5,704,947	350,522	17,250	63,017,263

YMCA of the Iowa Mississippi Valley

Individual Fund Schedules of Activities and Change in Net Assets

Year Ended December 31, 2022

	<u>Operating</u>			<u>Land, Building and Equipment</u>	<u>Endowment</u>	<u>Capital Campaign Facility</u>	<u>Capital Campaign North Scott</u>	<u>Capital Campaign Maquoketa</u>	<u>Total</u>
	<u>YMCA of the IMV</u>	<u>Maquoketa</u>	<u>Total</u>						
Revenue:									
Grants and contributions	\$ 5,746,953	111,950	5,858,903	-	-	174,074	177,472	-	6,210,449
Membership services	6,733,259	377,368	7,110,627	-	-	-	-	-	7,110,627
Program revenue	4,014,901	85,670	4,100,571	-	-	-	-	-	4,100,571
Other revenue, including realized and unrealized gains (losses)	167,805	53,460	221,265	(1,140,250)	(138,851)	-	-	-	(1,057,836)
Total revenue	16,662,918	628,448	17,291,366	(1,140,250)	(138,851)	174,074	177,472	-	16,363,811
Expenses:									
Salaries and payroll related expenses	6,057,892	353,237	6,411,129	-	-	-	-	-	6,411,129
Operating expenses	2,422,129	275,211	2,697,340	-	-	-	22,808	-	2,720,148
Interest expense	-	-	-	240,372	-	-	-	-	240,372
Total expenses	8,480,021	628,448	9,108,469	240,372	-	-	22,808	-	9,371,649
Change in net assets before grants, depreciation and transfers	8,182,897	-	8,182,897	(1,380,622)	(138,851)	174,074	154,664	-	6,992,162
Grants:									
Capital grants	21,037	-	21,037	-	-	-	-	-	21,037
Property and equipment acquired	(21,037)	-	(21,037)	21,037	-	-	-	-	-
Total grants	-	-	-	21,037	-	-	-	-	21,037
Interfund transfers:									
Current fixed asset purchases	(1,982,247)	-	(1,982,247)	2,354,085	-	-	(371,838)	-	-
Debt repayment (proceeds) US Bank	(745,861)	-	(745,861)	2,047,861	-	(1,302,000)	-	-	-
Board reserve funding	(2,983,580)	-	(2,983,580)	2,983,580	-	-	-	-	-
Total interfund transfers	(5,711,688)	-	(5,711,688)	7,385,526	-	(1,302,000)	(371,838)	-	-
Increase (decrease) in net assets before depreciation and write down of property	2,471,209	-	2,471,209	6,025,941	(138,851)	(1,127,926)	(217,174)	-	7,013,199
Depreciation	-	-	-	1,712,121	-	-	-	-	1,712,121
Increase (decrease) in net assets	2,471,209	-	2,471,209	4,313,820	(138,851)	(1,127,926)	(217,174)	-	5,301,078
Net assets, beginning of year	1,377,398	-	1,377,398	38,605,828	1,123,750	5,704,947	350,522	17,250	47,179,695
Net assets, end of year	\$ 3,848,607	-	3,848,607	42,919,648	984,899	4,577,021	133,348	17,250	52,480,773

YMCA of the Iowa Mississippi Valley

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

Year Ended December 31, 2021

	Operating			Land, Building and Equipment	Endowment	Capital Campaign Facility	Capital Campaign North Scott	Capital Campaign Maquoketa	Total
	YMCA of the IMV	Maquoketa	Total						
Revenue:									
Grants and contributions	\$ 2,122,971	104,047	2,227,018	-	14,908	(93,287)	350,000	17,250	2,515,889
Membership services	5,810,032	338,152	6,148,184	-	-	-	-	-	6,148,184
Program revenue	3,677,947	74,166	3,752,113	-	-	-	-	-	3,752,113
Other revenue, including realized and unrealized gains (losses)	960,249	66,810	1,027,059	783,680	139,353	-	-	-	1,950,092
Total revenue	<u>12,571,199</u>	<u>583,175</u>	<u>13,154,374</u>	<u>783,680</u>	<u>154,261</u>	<u>(93,287)</u>	<u>350,000</u>	<u>17,250</u>	<u>14,366,278</u>
Expenses:									
Salaries and payroll related expenses	5,615,438	342,258	5,957,696	-	-	-	-	-	5,957,696
Operating expenses	2,161,480	240,917	2,402,397	-	-	-	-	-	2,402,397
Interest expense	-	-	-	276,527	-	-	-	-	276,527
Total expenses	<u>7,776,918</u>	<u>583,175</u>	<u>8,360,093</u>	<u>276,527</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,636,620</u>
Change in net assets before grants, depreciation and transfers	<u>4,794,281</u>	<u>-</u>	<u>4,794,281</u>	<u>507,153</u>	<u>154,261</u>	<u>(93,287)</u>	<u>350,000</u>	<u>17,250</u>	<u>5,729,658</u>
Grants:									
Capital grants	70,790	-	70,790	-	-	-	-	-	70,790
Property and equipment acquired	(70,790)	-	(70,790)	70,790	-	-	-	-	-
Total grants	<u>-</u>	<u>-</u>	<u>-</u>	<u>70,790</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>70,790</u>
Interfund transfers:									
Current fixed asset purchases	(239,215)	-	(239,215)	677,209	-	(14,500)	-	-	423,494
Sale of equipment	21,100	-	21,100	(21,100)	-	-	-	-	-
Operating fund 2020	-	-	-	(423,494)	-	-	-	-	(423,494)
Debt repayment (proceeds) US Bank	(771,425)	-	(771,425)	3,171,425	-	(2,400,000)	-	-	-
Endowment	(4,187)	-	(4,187)	-	4,187	-	-	-	-
Board reserve funding	(3,082,547)	-	(3,082,547)	3,082,547	-	-	-	-	-
Total interfund transfers	<u>(4,076,274)</u>	<u>-</u>	<u>(4,076,274)</u>	<u>6,486,587</u>	<u>4,187</u>	<u>(2,414,500)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net assets before depreciation and write down of property	<u>718,007</u>	<u>-</u>	<u>718,007</u>	<u>7,064,530</u>	<u>158,448</u>	<u>(2,507,787)</u>	<u>350,000</u>	<u>17,250</u>	<u>5,800,448</u>
Depreciation	-	-	-	1,729,394	-	-	-	-	1,729,394
Increase (decrease) in net assets	<u>718,007</u>	<u>-</u>	<u>718,007</u>	<u>5,335,136</u>	<u>158,448</u>	<u>(2,507,787)</u>	<u>350,000</u>	<u>17,250</u>	<u>4,071,054</u>
Net assets, beginning of year	<u>659,391</u>	<u>-</u>	<u>659,391</u>	<u>33,270,692</u>	<u>965,302</u>	<u>8,212,734</u>	<u>522</u>	<u>-</u>	<u>43,108,641</u>
Net assets, end of year	<u>\$ 1,377,398</u>	<u>-</u>	<u>1,377,398</u>	<u>38,605,828</u>	<u>1,123,750</u>	<u>5,704,947</u>	<u>350,522</u>	<u>17,250</u>	<u>47,179,695</u>