

YMCA of the Iowa Mississippi Valley
Financial Statements

December 31, 2023 and 2022

**(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, 2023 and 2022, 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, 2023 and 2022 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 audits. 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
May 17, 2024

YMCA of the Iowa Mississippi Valley

Statements of Financial Position

December 31, 2023 and 2022

<u>Assets (note 6)</u>	<u>2023</u>	<u>2022</u>
Current assets:		
Cash and cash equivalents	\$ 2,353,883	6,602,187
Receivables		
Pledges – current portion (note 2)	489,476	1,174,851
Daycare	54,468	64,913
United Way	42,143	55,726
Grants and other	24,062	116,682
Prepaid expenses	36,021	47,031
Inventories	27,800	21,100
Total current assets	<u>3,027,853</u>	<u>8,082,490</u>
Property and equipment:		
Land	3,889,333	3,889,333
Building and improvements	43,171,384	42,897,403
Equipment and vehicles	8,418,541	7,714,034
Construction in progress	188,836	29,859
	<u>55,668,094</u>	<u>54,530,629</u>
Less accumulated depreciation	16,306,218	14,457,670
Net property and equipment	<u>39,361,876</u>	<u>40,072,959</u>
Pledges – net of current portion (note 2)	2,462,214	3,161,276
Investments (notes 3 and 4)	17,079,086	13,701,143
Temporarily restricted asset – Weinzwieg Trusts (notes 3 and 4)	277,657	249,368
Other assets (note 7)	819,850	739,987
Aquatics facility agreement (note 14)	4,569,160	-
Total assets	<u>\$ 67,597,696</u>	<u>66,007,223</u>
<u>Liabilities and Net Assets</u>		
Current liabilities:		
Current installments of long-term debt (note 6)	1,756,093	1,718,189
Accounts payable	131,143	749,714
Accrued expenses (note 10)	925,770	733,837
Deferred revenue:		
Membership dues and programs	363,805	365,404
Grants	299,422	361,733
Other	190,619	227,294
Child care stabilization grant (note 8)	-	782,623
Total current liabilities	<u>3,666,852</u>	<u>4,938,794</u>
Long-term debt, net of current installments (note 6)	5,621,561	8,587,656
Total liabilities	<u>9,288,413</u>	<u>13,526,450</u>
Net assets:		
Without donor restrictions:		
Undesignated	37,620,140	33,746,917
Board – designated for reserve (note 3)	15,933,273	12,716,244
Board – designated for endowment (note 3)	1,145,813	984,899
Total without donor restrictions	<u>54,699,226</u>	<u>47,448,060</u>
With donor restrictions (notes 3 and 9)	3,610,057	5,032,713
Total net assets	<u>58,309,283</u>	<u>52,480,773</u>
Total liabilities and net assets	<u>\$ 67,597,696</u>	<u>66,007,223</u>

See accompanying notes to financial statements.

YMCA of the Iowa Mississippi Valley

Statements of Activities

Years Ended December 31, 2023 and 2022

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Operating activities:						
Public support:						
Contributions	\$ 847,419	-	847,419	771,833	-	771,833
United Way	81,742	42,143	123,885	68,557	55,726	124,283
Grants (note 8)	1,832,875	-	1,832,875	4,863,673	-	4,863,673
Special events, net	85,396	-	85,396	99,114	-	99,114
Net assets released from restrictions – satisfaction of program restrictions	55,726	(55,726)	-	53,957	(53,957)	-
Total public support	<u>2,903,158</u>	<u>(13,583)</u>	<u>2,889,575</u>	<u>5,857,134</u>	<u>1,769</u>	<u>5,858,903</u>
Revenue:						
Membership fees, net (note 16)	8,762,185	-	8,762,185	7,110,627	-	7,110,627
Program fees, net (note 16)	4,525,064	-	4,525,064	4,100,571	-	4,100,571
Merchandise sales	59,972	-	59,972	67,500	-	67,500
Miscellaneous	207,039	-	207,039	153,766	-	153,766
Total revenue	<u>13,554,260</u>	<u>-</u>	<u>13,554,260</u>	<u>11,432,464</u>	<u>-</u>	<u>11,432,464</u>
Total public support and revenue	<u>16,457,418</u>	<u>(13,583)</u>	<u>16,443,835</u>	<u>17,289,598</u>	<u>1,769</u>	<u>17,291,367</u>
Operating expenses:						
Program services:						
Youth development	5,044,542	-	5,044,542	4,505,483	-	4,505,483
Healthy living	5,490,718	-	5,490,718	4,667,437	-	4,667,437
Social responsibility	133,996	-	133,996	121,687	-	121,687
Total program services	<u>10,669,256</u>	<u>-</u>	<u>10,669,256</u>	<u>9,294,607</u>	<u>-</u>	<u>9,294,607</u>
Support services:						
Management and general	1,671,561	-	1,671,561	1,516,938	-	1,516,938
Fundraising	52,194	-	52,194	31,853	-	31,853
Total support services	<u>1,723,755</u>	<u>-</u>	<u>1,723,755</u>	<u>1,548,791</u>	<u>-</u>	<u>1,548,791</u>
Total operating expenses	<u>12,393,011</u>	<u>-</u>	<u>12,393,011</u>	<u>10,843,398</u>	<u>-</u>	<u>10,843,398</u>
Changes in net assets from operations	<u>4,064,407</u>	<u>(13,583)</u>	<u>4,050,824</u>	<u>6,446,200</u>	<u>1,769</u>	<u>6,447,969</u>
Non-operating activities:						
Net unrealized gain (loss) on investments	1,441,900	-	1,441,900	(1,504,223)	-	(1,504,223)
Investment income, net	499,690	-	499,690	214,307	-	214,307
Contributions for endowment	10,000	-	10,000	-	-	-
Contributions for capital assets	-	16,423	16,423	-	351,546	351,546
Grants	556	-	556	21,037	-	21,037
Gain on sale of fixed assets	9,719	-	9,719	10,814	-	10,814
Interest expense	(200,602)	-	(200,602)	(240,372)	-	(240,372)
Net assets released from restriction – satisfaction of purpose restriction	1,425,496	(1,425,496)	-	1,749,228	(1,749,228)	-
Total non-operating activities	<u>3,186,759</u>	<u>(1,409,073)</u>	<u>1,777,686</u>	<u>250,791</u>	<u>(1,397,682)</u>	<u>(1,146,891)</u>
Changes in net assets	<u>7,251,166</u>	<u>(1,422,656)</u>	<u>5,828,510</u>	<u>6,696,991</u>	<u>(1,395,913)</u>	<u>5,301,078</u>
Net assets, beginning of year	47,448,060	5,032,713	52,480,773	40,751,069	6,428,626	47,179,695
Net assets, end of year	<u>\$ 54,699,226</u>	<u>3,610,057</u>	<u>58,309,283</u>	<u>47,448,060</u>	<u>5,032,713</u>	<u>52,480,773</u>

See accompanying notes to financial statements.

YMCA of the Iowa Mississippi Valley

Statements of Functional Expenses

Year Ended December 31, 2023

	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	\$ 2,855,598	2,197,323	91,469	5,144,390	866,265	-	866,265	6,010,655
Payroll related expenses and benefits	558,275	453,097	15,506	1,026,878	223,837	-	223,837	1,250,715
Total personnel costs	3,413,873	2,650,420	106,975	6,171,268	1,090,102	-	1,090,102	7,261,370
Non-personnel costs:								
Utilities	72,508	836,369	480	909,357	3,320	-	3,320	912,677
Maintenance supplies and equipment repairs	53,821	333,770	-	387,591	2,091	-	2,091	389,682
Contract services	280,334	144,449	-	424,783	109,786	-	109,786	534,569
Professional services	-	-	-	-	36,370	-	36,370	36,370
Program supplies	187,052	33,480	9,683	230,215	-	-	-	230,215
Food	297,166	-	-	297,166	-	-	-	297,166
Advertising and promotion	776	3,676	-	4,452	111,533	13,070	124,603	129,055
Building, vehicle and liability insurance	12,651	212,198	-	224,849	1,117	-	1,117	225,966
Merchandise supplies	31,653	769	-	32,422	-	-	-	32,422
National dues (note 15)	-	-	-	-	194,388	-	194,388	194,388
Equipment rental	-	6,836	-	6,836	702	-	702	7,538
Postage	72	343	-	415	15,896	2,623	18,519	18,934
Office supplies	1,950	4,637	-	6,587	6,379	-	6,379	12,966
Training and conference	8,307	12,003	346	20,656	23,792	-	23,792	44,448
Meetings	533	5,689	1,396	7,618	6,569	-	6,569	14,187
Recruitment	225	-	-	225	9,263	-	9,263	9,488
Mileage reimbursement	9,087	7,661	38	16,786	5,024	-	5,024	21,810
Bank charges	2,135	41,471	-	43,606	33,792	-	33,792	77,398
Other expense	15,845	41,482	767	58,094	21,437	-	21,437	79,531
Depreciation expense	656,554	1,155,465	14,311	1,826,330	-	36,501	36,501	1,862,831
Total non-personnel costs	1,630,669	2,840,298	27,021	4,497,988	581,459	52,194	633,653	5,131,641
Total expenses	\$ 5,044,542	5,490,718	133,996	10,669,256	1,671,561	52,194	1,723,755	12,393,011

See accompanying notes to financial statements.

YMCA of the Iowa Mississippi Valley

Statements of Functional Expenses, continued

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 15)	-	-	-	-	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 Cash Flows

Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Increase in net assets	\$ 5,828,510	5,301,078
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	1,862,831	1,712,121
Gain on sale of fixed assets	(9,719)	(10,814)
Net (appreciation) depreciation in fair value of investments	(1,441,900)	1,525,016
Net realized loss on sale of investments	26,075	49,357
Net change in Weinzweig Trusts	(28,289)	52,582
Capital campaign pledges paid for new facility	(1,418,109)	(1,602,861)
Refundable advance forgiveness recorded as grant revenue	-	(1,195,710)
Changes to assets and liabilities affecting operations:		
Pledges receivable, net of discount	1,384,437	1,251,315
Daycare, United Way, grants and other receivables	116,648	85,880
Prepaid expenses	11,010	5,086
Other current assets	(6,700)	(2,900)
Accounts payable	(618,571)	669,088
Accrued expenses	191,933	66,763
Deferred revenue	(100,585)	173,607
Deferred child care stabilization grant	(782,623)	782,623
Deferred Iowa fitness grant funds	-	(1,000,000)
Net cash provided by operating activities	<u>5,014,948</u>	<u>7,862,231</u>
Cash flows from investing activities:		
Purchases of investments	(11,026,858)	(13,056,769)
Proceeds from sale of investments	9,064,740	9,788,731
Increase in other assets	(79,863)	(321,010)
Purchase of property and equipment	(1,153,629)	(2,102,332)
Proceeds from sale of fixed assets	11,600	13,500
Aquatics facility agreement payment	(4,569,160)	-
Net cash used in investing activities	<u>(7,753,170)</u>	<u>(5,677,880)</u>
Cash flows from financing activities:		
Capital campaign pledges paid for new facility	1,418,109	1,602,861
Principal payments on long-term debt	(2,928,191)	(1,807,489)
Net cash used in financing activities	<u>(1,510,082)</u>	<u>(204,628)</u>
Net increase (decrease) in cash and cash equivalents	(4,248,304)	1,979,723
Cash and cash equivalents at beginning of year	6,602,187	4,622,464
Cash and cash equivalents at end of year	\$ <u>2,353,883</u>	\$ <u>6,602,187</u>
Supplemental disclosure of cash flow information:		
Cash paid for interest	\$ <u>200,602</u>	\$ <u>240,372</u>
Supplemental disclosure of noncash investing and financing activities:		
Refundable advance forgiveness recorded as grant revenue	\$ <u>-</u>	\$ <u>1,195,710</u>

See accompanying notes to financial statements.

YMCA of the Iowa Mississippi Valley

Notes to Financial Statements

December 31, 2023 and 2022

(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) Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles. The Organization evaluated subsequent events through May 17, 2024, which is the date the financial statements were available to be issued.

(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.

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.

(c) 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.

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) 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, facilities and equipment and investment returns.

(e) 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 grant receivables are contract assets for unbilled services and receivables for billed unpaid services.

Merchandise Sales: Merchandise sales are recognized at a point in time when the product is sold.

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

(f) 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.

(e) 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.

(f) 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.

(g) 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 \$203,770 and \$186,900 for the years ended December 31, 2023 and 2022 respectively. In exchange for the membership trade outs, the Organization received approximately \$31,000 in advertising for the years ended December 31, 2023 and 2022. These transactions are recorded as contributions, expenses or membership fees in the statement of activities.

(h) 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 \$1,933,000 and \$6,406,000 as of December 31, 2023 and 2022, respectively. Management believes that the credit risk related to these deposits is minimal.

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

(i) 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.

(j) Daycare Receivables

Daycare receivables are carried at original invoice amount less an estimate made for credit losses. Management determines the allowance for credit losses 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. The expense for credit losses for the years ended December 31, 2023 and 2022 amounted to \$40,000 and \$-0-, respectively. A daycare receivable is considered to be past due if any portion of the receivable balance is outstanding for more than 90 days. Management determined that an allowance for credit losses was not required at December 31, 2023 and 2022.

(k) Inventories

Inventories amounted to \$27,800 and \$21,100 at December 31, 2023 and 2022, respectively and are stated at the lower of cost (first-in, first-out method) or market.

(l) 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 \$65,476 and \$62,619 for the years ended December 31, 2023 and 2022, respectively.

(m) 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.

(n) Advertising Costs

Advertising costs are expensed as incurred and amounted to \$129,055 and \$142,979 for the years ended December 31, 2023 and 2022 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

(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, 2023, 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 2019 are subject to examination by taxing authorities.

(p) 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, 2023 and 2022.

(q) Reclassifications

Certain accounts for 2022 have been reclassified to conform with the preparation for 2023.

(2) Pledges Receivable

The Organization conducted capital campaigns to provide funds to assist with the construction of its downtown Davenport facility and to assist with the construction of the North Scott facility, which was completed in 2022. Unconditional pledges at December 31, 2023 and 2022 are expected to be collected as follows:

	<u>2023</u>	<u>2022</u>
Gross amounts due in:		
Less than one year	\$ 514,305	1,216,927
One to five years	2,002,832	2,223,319
Six to ten years	535,000	1,035,000
Total pledges receivable	<u>3,052,137</u>	<u>4,475,246</u>
Less net present value discount	100,447	139,119
Net pledges receivable	<u>2,951,690</u>	<u>4,336,127</u>
Less current portion	489,476	1,174,851
Long-term portion	<u>\$ 2,462,214</u>	<u>3,161,276</u>

Management has determined that an allowance for uncollectible pledges is not required based on regular evaluations of the collectability of individual pledges receivable.

YMCA of the Iowa Mississippi Valley

Notes to Financial Statements

(3) Investments

The Organization maintains investments in the following funds as of December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Board designated:		
Reserve fund	\$ 15,933,273	12,716,244
Endowment fund	<u>1,145,813</u>	<u>984,899</u>
	<u>\$ 17,079,086</u>	<u>13,701,143</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, 2023 and 2022 is as follows:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 2,664,002	1,041,733
Equity securities	7,760,193	6,024,062
Fixed income securities	6,341,680	6,191,525
Mutual funds – real estate and alternative	171,312	316,177
Pooled investments – Community Foundations	<u>141,899</u>	<u>127,646</u>
	<u>\$ 17,079,086</u>	<u>13,701,143</u>

Gross unrealized gains and (losses) relating to investments amounted to \$1,396,034 and \$(547,926), respectively, as of December 31, 2023 and \$850,151 and \$(1,443,028), respectively, as of December 31, 2022.

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, 2023 and 2022 amounted to \$277,657 and \$249,368, 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 \$126,446 and \$114,028 as of December 31, 2023 and 2022, respectively. The Community Foundation of Dubuque also holds funds in the name of the Organization which amounted to \$15,453 and \$13,618 at December 31, 2023 and 2022, 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.

YMCA of the Iowa Mississippi Valley

Notes to Financial Statements

(4) Fair Value Measurements

The fair values of investments consist of the following as of December 31, 2023 and 2022:

	<u>Fair Value Measurements Using:</u>		
	<u>Fair Value</u>	<u>Quoted Market Prices (Level 1)</u>	<u>Significant Other Unobservable Inputs (Level 3)</u>
<u>December 31, 2023</u>			
Cash and cash equivalents	\$ 2,664,002	2,664,002	-
Equity securities	7,760,193	7,760,193	-
Fixed income securities	6,341,680	6,341,680	-
Mutual funds – real estate and alternative	171,312	171,312	-
Pooled investments – Foundations	141,899	-	141,899
Weinzweig Trusts	277,657	-	277,657
	<u>\$ 17,356,743</u>	<u>16,937,187</u>	<u>419,556</u>
<u>December 31, 2022</u>			
Cash and cash equivalents	\$ 1,041,733	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>\$ 13,950,511</u>	<u>14,073,340</u>	<u>377,014</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. There were no investments that required the use of level 2 inputs in 2023 and 2022 and there were no changes in the methods used to measure fair value in 2023 and 2022.

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>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 2,353,883	6,602,187
Receivables	3,072,363	4,573,448
Investments	17,079,086	13,701,143
Trusts	277,657	249,368
Total financial assets	<u>22,782,989</u>	<u>25,126,146</u>
Contractual or donor-imposed restrictions:		
Trusts	(277,657)	(249,368)
Donor restrictions – capital campaigns	(3,290,257)	(4,727,619)
Program restrictions	(42,143)	(55,726)
Deferred revenue – grants	(134,445)	(214,423)
Childcare stabilization grant funds	-	(782,623)
Board designated:		
Board reserve fund	(15,933,273)	(12,716,244)
Endowment fund	<u>(1,145,813)</u>	<u>(984,899)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,959,401</u>	<u>5,395,244</u>

(6) Indebtedness

The Organization had 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, 2023 and 2022, respectively). Borrowings on this line of credit were secured by substantially all assets of the Organization. The line of credit matured November 30, 2023 and was not renewed. There were no outstanding borrowings on the line of credit as of December 31, 2023 and 2022.

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, 2023 and 2022 is as follows:

	<u>2023</u>	<u>2022</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 \$788,000 due December 2026; secured by outstanding capital contribution pledges.	\$ 3,188,000	4,598,000
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 \$2,868,103; secured by substantially all assets.	<u>4,189,654</u>	<u>5,707,845</u>
Total long-term debt	7,377,654	10,305,845
Less current installments	<u>1,756,093</u>	<u>1,718,189</u>
Long-term debt, net of current installments	<u>\$ 5,621,561</u>	<u>8,587,656</u>

YMCA of the Iowa Mississippi Valley

Notes to Financial Statements

(6) Indebtedness, continued

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, 2023 and 2022.

The aggregate future maturities of long-term debt as of December 31, 2023 are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2024	\$ 1,756,093
2025	1,770,349
2026	3,851,212
	<u>\$ 7,377,654</u>

(7) Property Held for Sale

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 is \$436,290 as of December 31, 2023 and 2022, which is included in other assets on the statement of financial position.

(8) CARES Act and Government Assistance Grants

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, 2023 and 2022 amounted to \$862,809 and \$1,187,870, respectively, and is recorded as grant income in the statement of activities in the year in which the funds were received.

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 and management determined that the organization met the qualifying expense conditions of the grant and recognized the \$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 2023 and 2022. 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 in 2022. The remaining funds of \$782,623 were classified as a current liability as of December 31, 2022 and recognized as grant income in 2023 when the qualified expenses are incurred.

YMCA of the Iowa Mississippi Valley

Notes to Financial Statements

(9) Net Assets with Donor Restrictions

Net assets with donor restrictions relate to the following as of December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Program services	\$ 42,143	55,726
Capital campaigns	3,290,257	4,727,619
Weinzweig trusts	277,657	249,368
	<u>\$ 3,610,057</u>	<u>5,032,713</u>

(10) Employee Self 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 \$36,000 and \$29,000 as of December 31, 2023 and 2022, 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 expense were approximately \$274,200 and \$279,300, respectively, for the years ended December 31, 2023 and 2022, 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 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

(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 \$225,700 and \$256,800 as of December 31, 2023 and 2022, 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 \$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.

(13) 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, 2023 and 2022 was \$1,614,160 and \$1,522,684, respectively. The asset and revenue will not be recorded by the Organization until the donor restrictions have been met.

(14) Aquatics Facility Agreement

The Organization and City of Bettendorf (City) entered into a 20 year operating agreement on October 4, 2022 related to the construction and operations of an aquatics facility. The Organization is responsible for staffing and operating the aquatic facility and will receive the operating revenue related to the facility.

The agreement requires a total payment of \$6,000,000 from the YMCA and \$6,000,000 from the City of Bettendorf toward the planning, design and construction of the aquatic facility. The Organization purchased a fitness center from the City of Bettendorf during 2022 for \$1,430,840, which is included as part of the YMCA's overall payment obligation. The remaining \$4,569,460 payment was made in 2023 and will be amortized over the term of the agreement, which is anticipated to start when the facility passes final inspection in 2025. In the event that the City of Bettendorf unilaterally terminates the agreement, they will repay the unamortized portion of the YMCA's payment at \$228,458 per year over the remaining term.

YMCA of the Iowa Mississippi Valley

Notes to Financial Statements

(15) Payments to Affiliates

The Organization made payments to the National YMCA designed for dues and services for the years ended December 31, 2023 and 2022 of \$194,388 and \$160,750, respectively.

(16) 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, 2023 and 2022:

	2023		2022	
Membership	\$ 9,726,940	100.00%	8,169,066	100.00%
Less membership financial assistance	964,755	9.92%	1,058,439	12.96%
Membership, net	\$ 8,762,185	90.08%	7,110,627	87.04%
Program fees	4,765,504	100.00%	4,364,918	100.00%
Less program financial assistance	240,440	5.05%	264,347	6.06%
Program fees, net	\$ 4,525,064	94.95%	4,100,571	93.94%
Other assistance – program grants	\$ 187,825		196,767	
Total assistance	\$ 1,393,020		1,519,553	

(17) Recent Accounting Pronouncement

In June 2016, the FASB issued ASU 2016–13, “*Financial Instruments—Credit Losses*”. The pronouncement requires organizations to measure all expected credit losses for financial instruments held at the reporting date based on historical experience, current conditions and reasonable and supportable forecasts. ASU 2016–13 became effective for the Organization’s 2023 financial statements, which did not have a significant impact to the financial statements and primarily resulted in enhanced disclosures.

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, 2023 and 2022, and our report thereon dated May 17, 2024, 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
May 17, 2024

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

December 31, 2023

<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	\$ 2,015,315	-	-	309,452	29,116	-	2,353,883
Receivable	120,673	-	-	-	-	-	120,673
Pledge receivable – current portion	-	-	-	439,476	50,000	-	489,476
Inventories	27,800	-	-	-	-	-	27,800
Prepaid expenses	36,021	-	-	-	-	-	36,021
Total current assets	<u>2,199,809</u>	<u>-</u>	<u>-</u>	<u>748,928</u>	<u>79,116</u>	<u>-</u>	<u>3,027,853</u>
Property and equipment	-	45,575,848	-	9,691,655	400,591	-	55,668,094
Transfer of assets	-	10,092,246	-	(9,691,655)	(400,591)	-	-
Less accumulated depreciation	-	(16,306,218)	-	-	-	-	(16,306,218)
Net property and equipment	<u>-</u>	<u>39,361,876</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>39,361,876</u>
Pledge's receivable, net of current portion	-	-	-	2,416,765	45,449	-	2,462,214
Investments	277,658	15,933,272	1,145,813	-	-	-	17,356,743
Aquatics facility agreement	-	4,569,160	-	-	-	-	4,569,160
Other assets	383,560	436,290	-	-	-	-	819,850
Total assets	<u>\$ 2,861,027</u>	<u>60,300,598</u>	<u>1,145,813</u>	<u>3,165,693</u>	<u>124,565</u>	<u>-</u>	<u>67,597,696</u>
<u>Liabilities and Net Assets</u>							
Current liabilities:							
Accounts payable	131,143	-	-	-	-	-	131,143
Accrued expenses	925,770	-	-	-	-	-	925,770
Deferred revenue membership/program	554,424	-	-	-	-	-	554,424
Deferred revenue grants	299,422	-	-	-	-	-	299,422
Current installments of long-term debt	-	1,756,093	-	-	-	-	1,756,093
Total current liabilities	<u>1,910,759</u>	<u>1,756,093</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,666,852</u>
Long-term debt, net of current installments	-	5,621,561	-	-	-	-	5,621,561
Total liabilities	<u>1,910,759</u>	<u>7,377,654</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,288,413</u>
Net assets:							
Without donor restrictions	630,469	52,922,944	1,145,813	-	-	-	54,699,226
With donor restrictions	319,799	-	-	3,165,693	124,565	-	3,610,057
Total net assets	<u>950,268</u>	<u>52,922,944</u>	<u>1,145,813</u>	<u>3,165,693</u>	<u>124,565</u>	<u>-</u>	<u>58,309,283</u>
Total liabilities and net assets	<u>\$ 2,861,027</u>	<u>60,300,598</u>	<u>1,145,813</u>	<u>3,165,693</u>	<u>124,565</u>	<u>-</u>	<u>67,597,696</u>

YMCA of the Iowa Mississippi Valley

Individual Fund Schedules of Financial Position, continued

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	-	-	499,843	238,268	276,400	6,602,187
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	5,893,128	-	-	1,589,194	323,768	276,400	8,082,490
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	-	40,072,959	-	-	-	-	40,072,959
Pledge's receivable, net of current portion	-	-	-	3,087,827	73,449	-	3,161,276
Investments	249,368	12,716,244	984,899	-	-	-	13,950,511
Other assets	303,697	436,290	-	-	-	-	739,987
Total assets	\$ 6,446,193	53,225,493	984,899	4,677,021	397,217	276,400	66,007,223
<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	2,597,586	1,718,189	-	100,000	263,869	259,150	4,938,794
Long-term debt, net of current installments	-	8,587,656	-	-	-	-	8,587,656
Total liabilities	2,597,586	10,305,845	-	100,000	263,869	259,150	13,526,450
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	3,848,607	42,919,648	984,899	4,577,021	133,348	17,250	52,480,773
Total liabilities and net assets	\$ 6,446,193	53,225,493	984,899	4,677,021	397,217	276,400	66,007,223

YMCA of the Iowa Mississippi Valley

Individual Fund Schedules of Activities and Change in Net Assets

Year Ended December 31, 2023

	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	\$ 2,769,978	119,597	2,889,575	-	10,001	(1,328)	35,000	(17,250)	2,915,998
Membership services	8,390,661	371,524	8,762,185	-	-	-	-	-	8,762,185
Program revenue	4,440,381	84,683	4,525,064	-	-	-	-	-	4,525,064
Other revenue, including realized and unrealized gains (losses)	140,044	61,494	201,538	1,860,317	156,465	-	-	-	2,218,320
Total revenue	15,741,064	637,298	16,378,362	1,860,317	166,466	(1,328)	35,000	(17,250)	18,421,567
Expenses:									
Salaries and payroll related expenses	6,894,711	366,659	7,261,370	-	-	-	-	-	7,261,370
Operating expenses	2,917,665	270,639	3,188,304	59,924	5,552	-	15,030	-	3,268,810
Interest expense	-	-	-	200,602	-	-	-	-	200,602
Total expenses	9,812,376	637,298	10,449,674	260,526	5,552	-	15,030	-	10,730,782
Change in net assets before grants, depreciation and transfers	5,928,688	-	5,928,688	1,599,791	160,914	(1,328)	19,970	(17,250)	7,690,785
Grants:									
Capital grants	556	-	556	-	-	-	-	-	556
Property and equipment acquired	(556)	-	(556)	556	-	-	-	-	-
Total grants	-	-	-	556	-	-	-	-	556
Interfund transfers:									
Current fixed asset purchases	(1,123,881)	-	(1,123,881)	1,152,634	-	-	(28,753)	-	-
Sale of equipment	11,160	-	11,160	(11,160)	-	-	-	-	-
Aquatics facility agreement	(4,569,160)	-	(4,569,160)	4,569,160	-	-	-	-	-
Debt repayment (proceeds) US Bank	(1,718,794)	-	(1,718,794)	3,128,794	-	(1,410,000)	-	-	-
Board reserve funding	(720,000)	-	(720,000)	720,000	-	-	-	-	-
Funds transfer	(706,352)	-	(706,352)	706,352	-	-	-	-	-
Total interfund transfers	(8,827,027)	-	(8,827,027)	10,265,780	-	(1,410,000)	(28,753)	-	-
Increase (decrease) in net assets before depreciation and write down of property	(2,898,339)	-	(2,898,339)	11,866,127	160,914	(1,411,328)	(8,783)	(17,250)	7,691,341
Depreciation	-	-	-	1,862,831	-	-	-	-	1,862,831
Increase (decrease) in net assets	(2,898,339)	-	(2,898,339)	10,003,296	160,914	(1,411,328)	(8,783)	(17,250)	5,828,510
Net assets, beginning of year	3,848,607	-	3,848,607	42,919,648	984,899	4,577,021	133,348	17,250	52,480,773
Net assets, end of year	\$ 950,268	-	950,268	52,922,944	1,145,813	3,165,693	124,565	-	58,309,283

YMCA of the Iowa Mississippi Valley

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

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