

**YMCA of Greater Omaha**

**Financial Statements and  
Independent Auditors' Report**

**December 31, 2021 and 2020**



# YMCA of Greater Omaha

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## **INDEPENDENT AUDITORS' REPORT**

Board of Directors  
YMCA of Greater Omaha  
Omaha, Nebraska

### **Opinion**

We have audited the financial statements of YMCA of Greater Omaha (the Organization), which comprise the statements of financial position as of December 31, 2021 and 2020, the related statements of activities and changes in net assets, cash flows, and functional expenses for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2021 and 2020, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization 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 accounting principles generally accepted in the United States of America, 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 the Organization's ability to continue as a going concern for one year after June 17, 2022.

### **Auditors' Responsibilities for the Audit of 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- 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 audits in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization'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 the Organization'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 audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

*Lutz & Company, P.C.*

June 17, 2022

# YMCA of Greater Omaha

## Statements of Financial Position

December 31, 2021 and 2020

<b>ASSETS</b>		<b><u>2021</u></b>	<b><u>2020</u></b>
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	\$	6,050,696	\$ 12,452,671
Current Portion of Contributions Receivable		759,670	709,438
Program Receivables, Less Allowance for Doubtful Accounts of \$4,087 and \$6,295, Respectively		1,019,378	495,722
Employee Retention Credits Receivable		2,053,997	-
Marketable Securities		12,293,380	3,826,589
Prepaid Expenses		129,561	64,053
Total Current Assets		22,306,682	17,548,473
<b>PROPERTY AND EQUIPMENT, NET</b>		40,548,825	40,302,961
<b>OTHER ASSETS</b>			
Contributions Receivable, Less Current Portion		221,242	386,940
Other		17,783	18,312
Total Other Assets		239,025	405,252
<b>TOTAL ASSETS</b>		<b>\$ 63,094,532</b>	<b>\$ 58,256,686</b>
<b>LIABILITIES AND NET ASSETS</b>			
<b>CURRENT LIABILITIES</b>			
Current Portion of Long-Term Debt	\$	427,055	\$ 439,068
Accounts Payable		619,888	331,009
Accrued Expenses		602,397	463,095
Deferred Revenue		791,590	576,918
Total Current Liabilities		2,440,930	1,810,090
<b>LONG TERM LIABILITIES</b>			
Long-Term Debt, Less Current Portion		10,374,565	10,801,605
Total Liabilities		12,815,495	12,611,695
<b>COMMITMENTS AND CONTINGENCIES</b>			
<b>NET ASSETS</b>			
Without Donor Restrictions		43,330,273	40,392,509
With Donor Restrictions		6,948,764	5,252,482
Total Net Assets		50,279,037	45,644,991
<b>TOTAL LIABILITIES AND NET ASSETS</b>		<b>\$ 63,094,532</b>	<b>\$ 58,256,686</b>

See Notes to Financial Statements.

# YMCA of Greater Omaha

## Statement of Activities and Changes in Net Assets

Year Ended December 31, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>REVENUES, GAINS AND OTHER SUPPORT</b>			
<b>Public Support</b>			
Operating Contributions	\$ 590,726	\$ 116,672	\$ 707,398
Capital Campaign Contributions	-	586,202	586,202
Grant Revenues	-	2,355,107	2,355,107
Allocations from United Way of the Midlands	-	337,281	337,281
Total Public Support	590,726	3,395,262	3,985,988
<b>Revenues</b>			
Program Service Fees	6,352,797	-	6,352,797
Membership Dues	8,674,825	-	8,674,825
Investment Return	485,742	-	485,742
Miscellaneous	571,290	-	571,290
Gain on Sale of Property and Equipment	38,064	-	38,064
Employee Retention Credits	3,312,934	-	3,312,934
Forgiveness of Paycheck Protection Program Loan	1,950,000	-	1,950,000
Total Revenues	21,385,652	-	21,385,652
Net Assets Released From Restrictions	1,698,980	(1,698,980)	-
Total Revenues, Gains and Other Support	23,675,358	1,696,282	25,371,640
<b>EXPENSES</b>			
Program Services	18,575,442	-	18,575,442
Management and General	1,650,457	-	1,650,457
Fund Raising	294,188	-	294,188
Payment to National Organization	217,507	-	217,507
Total Expenses	20,737,594	-	20,737,594
Increase in Net Assets	2,937,764	1,696,282	4,634,046
Net Assets, Beginning of Year	40,392,509	5,252,482	45,644,991
<b>Net Assets, End of Year</b>	<b>\$ 43,330,273</b>	<b>\$ 6,948,764</b>	<b>\$ 50,279,037</b>

See Notes to Financial Statements.

# YMCA of Greater Omaha

## Statement of Activities and Changes in Net Assets

Year Ended December 31, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>REVENUES, GAINS AND OTHER SUPPORT</b>			
<b>Public Support</b>			
Operating Contributions	\$ 401,058	\$ 106,974	\$ 508,032
Capital Campaign Contributions	-	1,659,622	1,659,622
Grant Revenues	10,000,000	1,897,697	11,897,697
Allocations from United Way of the Midlands	-	248,870	248,870
<b>Total Public Support</b>	<b>10,401,058</b>	<b>3,913,163</b>	<b>14,314,221</b>
<b>Revenues</b>			
Program Service Fees	4,310,616	-	4,310,616
Membership Dues	9,140,541	-	9,140,541
Investment Return	388,325	-	388,325
Miscellaneous	353,510	-	353,510
Loss on Sale of Property and Equipment	(27,304)	-	(27,304)
<b>Total Revenues</b>	<b>14,165,688</b>	<b>-</b>	<b>14,165,688</b>
Net Assets Released From Restrictions	2,379,928	(2,379,928)	-
<b>Total Revenues, Gains and Other Support</b>	<b>26,946,674</b>	<b>1,533,235</b>	<b>28,479,909</b>
<b>EXPENSES</b>			
Program Services	15,781,993	-	15,781,993
Management and General	1,884,198	-	1,884,198
Fund Raising	221,771	-	221,771
Payment to National Organization	192,938	-	192,938
<b>Total Expenses</b>	<b>18,080,900</b>	<b>-</b>	<b>18,080,900</b>
Increase in Net Assets	8,865,774	1,533,235	10,399,009
Net Assets, Beginning of Year	31,526,735	3,719,247	35,245,982
<b>Net Assets, End of Year</b>	<b>\$ 40,392,509</b>	<b>\$ 5,252,482</b>	<b>\$ 45,644,991</b>

See Notes to Financial Statements.

# YMCA of Greater Omaha

## Statements of Cash Flows

Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase in Net Assets	\$ 4,634,046	\$ 10,399,009
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by Operating Activities		
Depreciation	2,050,343	2,108,164
Loss (Gain) on Sale of Property and Equipment	(38,064)	27,304
Realized and Unrealized Gain on Marketable Securities	(402,090)	(336,678)
Forgiveness of Paycheck Protection Program Loan	(1,950,000)	-
Decrease (Increase) in Operating Assets:		
Contributions Receivable	115,466	(248,235)
Program Receivables	(523,656)	(48,581)
Employee Retention Credits Receivable	(2,053,997)	-
Prepaid Expenses	(65,508)	(3,587)
Other Assets	529	(2,183)
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	288,879	(52,542)
Accrued Expenses	139,302	(2,068)
Deferred Revenue	214,672	(61,774)
<b>Net Cash Provided by Operating Activities</b>	<b>2,409,922</b>	<b>11,778,829</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of Marketable Securities	(15,708,638)	(626,159)
Proceeds from Sale of Marketable Securities	7,643,937	574,512
Proceeds from Sale of Property and Equipment	45,594	-
Purchase of Property and Equipment	(2,303,737)	(2,775,061)
<b>Net Cash Used in Investing Activities</b>	<b>(10,322,844)</b>	<b>(2,826,708)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayments of Long-Term Debt	(439,053)	(183,668)
Proceeds from Issuance of Long-Term Debt	-	40,802
Proceeds from Issuance of Paycheck Protection Program Loan	1,950,000	-
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>1,510,947</b>	<b>(142,866)</b>
Net Increase (Decrease) in Cash and Cash Equivalents	(6,401,975)	8,809,255
Cash and Cash Equivalents, Beginning of Year	12,452,671	3,643,416
<b>Cash and Cash Equivalents, End of Year</b>	<b>\$ 6,050,696</b>	<b>\$ 12,452,671</b>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Interest Paid	\$ 359,841	\$ 421,598

See Notes to Financial Statements.



# YMCA of Greater Omaha

## Statement of Functional Expenses

Year Ended December 31, 2021

	Program Services			Total Program Services	Supporting Services		Total Supporting Services	Grand Total
	Youth Development	Healthy Living	Social Responsibility		Management and General	Fund Raising		
Salaries	\$ 4,347,744	\$ 4,139,712	\$ 30,640	\$ 8,518,096	\$ 722,359	\$ 128,372	\$ 850,731	\$ 9,368,827
Employee Health and Retirement Benefits	767,902	516,898	2,898	1,287,698	127,458	14,729	142,187	1,429,885
Payroll Taxes	319,127	307,502	2,323	628,952	53,259	9,395	62,654	691,606
Total Salaries and Related Expenses	5,434,773	4,964,112	35,861	10,434,746	903,076	152,496	1,055,572	11,490,318
Professional Fees and Contract Services	500,610	229,700	2,047	732,357	243,318	78,650	321,968	1,054,325
Supplies	756,866	144,043	1,150	902,059	26,488	14,638	41,126	943,185
Telephone and Internet	54,772	77,574	328	132,674	25,192	-	25,192	157,866
Postage and Shipping	17,784	35,903	7	53,694	2,888	669	3,557	57,251
Occupancy Expenses	1,521,214	1,253,891	8,324	2,783,429	129,714	-	129,714	2,913,143
Purchases, Maintenance and Rental of Equipment	87,398	140,157	217	227,772	139,747	1,761	141,508	369,280
Marketing	83,877	394,340	-	478,217	7,956	11,332	19,288	497,505
Travel and Transportation	8,039	15,227	310	23,576	2,696	342	3,038	26,614
Meetings and Conferences	12,707	28,243	47	40,997	5,521	1,961	7,482	48,479
Insurance	50,351	38,938	286	89,575	7,888	-	7,888	97,463
Miscellaneous	205,511	151,415	986	357,912	64,329	32,339	96,668	454,580
Total Other Expenses	3,299,129	2,509,431	13,702	5,822,262	655,737	141,692	797,429	6,619,691
Total Expenses Before Depreciation and Interest Expense	8,733,902	7,473,543	49,563	16,257,008	1,558,813	294,188	1,853,001	18,110,009
Depreciation	1,090,170	909,598	5,814	2,005,582	44,761	-	44,761	2,050,343
Interest	161,961	149,793	1,098	312,852	46,883	-	46,883	359,735
<b>TOTAL FUNCTIONAL EXPENSES</b>	<b>\$ 9,986,033</b>	<b>\$ 8,532,934</b>	<b>\$ 56,475</b>	<b>\$18,575,442</b>	<b>\$ 1,650,457</b>	<b>\$ 294,188</b>	<b>\$ 1,944,645</b>	<b>\$20,520,087</b>

See Notes to Financial Statements.

# YMCA of Greater Omaha

## Statement of Functional Expenses

Year Ended December 31, 2020

	Program Services			Total Program Services	Supporting Services		Total Supporting Services	Grand Total
	Youth Development	Healthy Living	Social Responsibility		Management and General	Fund Raising		
Salaries	\$ 3,535,958	\$ 3,490,519	\$ 45,269	\$ 7,071,746	\$ 956,234	\$ 100,237	\$ 1,056,471	\$ 8,128,217
Employee Health and Retirement Benefits	591,523	434,101	1,844	1,027,468	132,550	8,309	140,859	1,168,327
Payroll Taxes	265,433	262,213	3,477	531,123	66,046	7,628	73,674	604,797
Total Salaries and Related Expenses	4,392,914	4,186,833	50,590	8,630,337	1,154,830	116,174	1,271,004	9,901,341
Professional Fees and Contract Services	402,742	189,064	2,821	594,627	205,346	75,000	280,346	874,973
Supplies	567,690	113,474	1,330	682,494	28,325	943	29,268	711,762
Telephone and Internet	57,534	80,526	584	138,644	21,969	-	21,969	160,613
Postage and Shipping	3,640	12,953	10	16,603	3,412	1,026	4,438	21,041
Occupancy Expenses	1,221,062	1,034,794	22,929	2,278,785	182,629	-	182,629	2,461,414
Purchases, Maintenance and Rental of Equipment	96,139	114,819	758	211,716	118,820	-	118,820	330,536
Marketing	93,808	284,725	18	378,551	1,160	17,012	18,172	396,723
Travel and Transportation	9,942	17,080	3,318	30,340	4,802	29	4,831	35,171
Meetings and Conferences	10,972	14,114	97	25,183	1,844	455	2,299	27,482
Insurance	40,743	32,541	385	73,669	9,801	-	9,801	83,470
Miscellaneous	153,529	133,749	1,309	288,587	73,177	11,132	84,309	372,896
Total Other Expenses	2,657,801	2,027,839	33,559	4,719,199	651,285	105,597	756,882	5,476,081
Total Expenses Before Depreciation and Interest Expense	7,050,715	6,214,672	84,149	13,349,536	1,806,115	221,771	2,027,886	15,377,422
Depreciation	1,116,113	952,072	13,505	2,081,690	26,474	-	26,474	2,108,164
Interest	177,384	171,354	2,029	350,767	51,609	-	51,609	402,376
<b>TOTAL FUNCTIONAL EXPENSES</b>	<b>\$ 8,344,212</b>	<b>\$ 7,338,098</b>	<b>\$ 99,683</b>	<b>\$15,781,993</b>	<b>\$ 1,884,198</b>	<b>\$ 221,771</b>	<b>\$ 2,105,969</b>	<b>\$17,887,962</b>

See Notes to Financial Statements.

# YMCA of Greater Omaha

## Notes to Financial Statements

December 31, 2021 and 2020

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### 1. Summary of Significant Accounting Policies

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A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements is set forth below.

#### ***Nature of Activities***

The YMCA of Greater Omaha (the "Organization") is a nonprofit association governed by a Board of Directors. The Organization is a human services association whose mission is to put Christian principles into practice through programs that build healthy spirit, mind and body for all.

The following is a description of the key areas of the Organization:

Youth Development – Aims to nurture the potential of every child and teen through programs such as childcare, education and leadership, swim, and camp.

Healthy Living – Aims to improve the community's health and well-being through programs that focus on family time, well-being and fitness, sports, and recreation.

Social Responsibility – Incorporates giving back and providing support to the Organization's neighbors with programs that include social services, volunteerism, and advocacy.

#### ***Financial Statement Presentation***

The Organization follows Accounting Standards Update (ASU) No. 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*. Resources are reported for accounting purposes into separate classes of net assets based on the existence or absence of donor-imposed restrictions.

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets and revenues, expenses, gains, and losses 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 that are not subject to donor-imposed stipulations.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization and/or by the passage of time. Net assets restricted by the actions of the Organization and/or the passage of time are temporary in nature. Other donor-imposed stipulations are permanent in nature and require that principal be maintained in perpetuity by the Organization.

# YMCA of Greater Omaha

## Notes to Financial Statements

December 31, 2021 and 2020

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### ***Use of Estimates***

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

### ***Cash and Cash Equivalents***

For purposes of the statements of cash flows, the Organization considers all investments with an original maturity of three months or less to be cash and cash equivalents, except for money market funds held in the Organization's investments portfolio.

### ***Contributions Receivable***

Contributions receivable consist primarily of pledges and grants. The receivables are carried at original pledge or grant amount, are unsecured, and are based upon terms of the pledge or grant. The Organization considers contributions receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to operations when that determination is made.

### ***Program Receivables***

Program receivables are carried at original amount less an estimate made for doubtful receivables based on a review of all outstanding amounts on a periodic basis. Management determines the allowance for doubtful accounts by regularly evaluating individual receivables and considering financial condition, credit history, and current economic conditions. Program receivables are written off when deemed uncollectible. Recoveries are recorded when received.

### ***Employee Retention Credits***

The CARES Act contained significant business tax provisions, including a deferral of payments and an employee retention credit for employer payroll taxes.

The Organization filed and qualified for employee retention credits totaling \$3,312,934, which is included in the accompanying statement of activities and changes in net assets for the year ended December 31, 2021. At December 31, 2021, \$2,053,997 of the credits were included as a receivable in the statement of financial position and are expected to be received in the next year.

### ***Marketable Securities***

Investment return (including realized and unrealized gains and losses on marketable securities, interest, and dividends) is included as an increase or decrease to net assets without donor restrictions unless the income or loss is restricted by donor or law. Marketable securities are carried at fair value (see Notes 4 and 5). Fair value is the price that would be received to sell an investment in an orderly transaction between market participants at the measurement date.

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# YMCA of Greater Omaha

## Notes to Financial Statements

December 31, 2021 and 2020

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### ***Concentration of Credit and Market Risk***

The Organization's financial instruments consisting of cash and cash equivalents, receivables and marketable securities potentially expose it to concentrations of credit and market risk.

The Organization maintains its cash and cash equivalents in bank accounts in which the balances sometimes exceed federally insured limits. Accounts at these institutions are insured by the Federal Deposit Insurance Corporation (FDIC) which covers interest bearing and non-interest bearing accounts up to \$250,000 per bank under the FDIC's general deposit insurance rules. At December 31, 2021 and 2020 there were cash balances in excess of FDIC limits at the bank of approximately \$5,631,000 and \$12,069,000, respectively.

The Organization invests in a professionally managed portfolio that contains marketable investment securities. Such investments are exposed to various risks such as credit and market. 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.

### ***Property and Equipment***

Property and equipment are recorded at cost. Expenditures for additions and betterments are capitalized; expenditures for maintenance and repairs are charged to expense as incurred. The costs of assets disposed and the related accumulated depreciation are eliminated from the accounts in the year of disposal. Gains or losses from property disposals are recognized in the year of disposal.

Depreciation is computed using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Buildings	5 - 40
Equipment	3 - 25
Land Improvements	5 - 25
Website and Software	5 - 10

Projects in progress are recorded at cost and no depreciation is recorded until the assets are placed in service. The Organization's projects in progress at December 31, 2021 and 2020 consist primarily of costs incurred for construction of new facilities. See Note 6.

### ***Long-Lived Asset Impairment***

The Organization evaluates the recoverability of the carrying value of long-lived assets when events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset are less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value. Management does not believe any impairment existed as of December 31, 2021 and 2020.

# YMCA of Greater Omaha

## Notes to Financial Statements

December 31, 2021 and 2020

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### ***Revenue Recognition***

The Organization follows Accounting Standards Update 2014-09, *Revenue from Contracts with Customers (Topic 606)* ("ASU 2014-09"). Accordingly, the Organization's policy for revenue recognition is defined below.

#### Public Support

Public support that does not meet the definition of an exchange transaction in accordance with ASU 2014-09 is accounted for under the guidance in ASC 958 "Not-for-Profit Entities." Public support is considered to be available for unrestricted use unless specifically restricted by the donor. Gifts having donor stipulations which are satisfied in the period the gift is received are reported as revenue and net assets without donor restrictions. Donated properties and materials are recorded as public support at their estimated fair value at the date of donation.

During 2020, the Organization received a one-time \$10,000,000 unconditional grant without donor restrictions from an individual. The Organization recorded this grant in the statements of activities and changes in net assets as grant revenue without donor restrictions.

#### Program Service Fees

Program service fees primarily consist of childcare, summer day camp, aquatics, youth sports, and other youth programming. Customers can terminate their contracts at any time, but refunds of program service fees are not common.

#### Membership Dues

Membership dues primarily consist of month-to-month fees collected for the member's use of the Organization's facilities. Members can terminate their contract at any time, but refunds of membership dues are not common.

Revenue is recognized when obligations under the terms of the contract with the customer are satisfied, which is generally over time as the facilities are made available to the member or the various program services are provided to the customer. Contracts have a single performance obligation and are typically considered short-term in nature. Revenues are reported net of the impact of variable consideration including coupons, discounts and scholarships. The Organization does not incur any incremental costs to obtain contracts. Membership dues are paid to the Organization monthly via automatic payment from member bank accounts or credit cards. Program service fees are typically paid to the Organization via automatic payment from customer bank accounts or credit cards. Program service fees that are not paid automatically require payment within 30 days and are included as program receivables in the statements of financial position.

Certain programs require payment to be collected in advance of the program services being performed by the Organization. Additionally, certain members pre-pay several months of membership dues. Amounts collected in advance of the program services being performed and prepayments of membership dues are recorded as deferred revenue in the statements of financial position and represent contract liabilities. Amounts recorded as deferred revenue will be recognized as revenue when, or as, the program services are provided and the facilities are made available to members.

# YMCA of Greater Omaha

## Notes to Financial Statements

December 31, 2021 and 2020

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Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at fair value determined using the discounted present value of the estimated future cash flows. The resulting discount is amortized using the level-yield method and is reported as contribution revenue. The interest rate used in computing the discount of the estimated future cash flows was 3.50% and 3.25% at December 31, 2021 and 2020, respectively. Conditional promises to give are not included as support until the conditions are substantially met.

### ***Functional Expense Allocation***

The costs of providing the various programs and other activities of the Organization have been summarized on a functional basis in the statements of activities and changes in net assets and functional expenses. Costs are allocated to each functional expense category based on the specific departments benefitted by the expense. Certain categories of expenses are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include depreciation, interest, occupancy and others, which are allocated to the different functional expense categories based on the percentage of total expense attributable to each individual category. Salaries and related expenses for certain individuals performing tasks in multiple functional expense categories are allocated based on estimates of time and effort.

### ***Income Taxes***

The Organization is exempt from federal income taxes as a non-profit corporation under Section 501(c)(3) of the Internal Revenue Code.

The financial statements will not reflect a provision for income taxes except for the tax on unrelated business income. At December 31, 2021 and 2020, the Organization had no tax liability for unrelated business income.

The Organization follows the provisions of FASB Codification Topic 740-10 related to uncertain income tax positions. Management believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain positions that are material to the financial statements.

The Organization is no longer subject to income tax examinations by federal, state, or local tax authorities for years before December 31, 2018.

### ***Paycheck Protection Program***

In March 2021, the Organization was granted a loan from a bank in the aggregate amount of \$1,950,000, pursuant to the Paycheck Protection Program ("PPP") under Division A, Title I of the Coronavirus Aid, Relief, and Economic Security (CARES) Act, which was enacted March 27, 2020 (the "PPP Loan").

# YMCA of Greater Omaha

## Notes to Financial Statements

December 31, 2021 and 2020

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During 2021, the Organization was released as the primary obligor by the Small Business Administration and recognized forgiveness totaling \$1,950,000 in the accompanying statement of activities and changes in net assets.

### ***Subsequent Events***

Subsequent events are events or transactions that occur after the statement of financial position date, but before the financial statements are available to be issued and may require potential recognition or disclosure in the financial statements. Management has considered such events or transactions through June 17, 2022, noting no items requiring disclosure.

## 2. Liquidity and Cash Management

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The Organization's financial assets available to meet general expenditures within one year of December 31, 2021, are as follows:

Cash and Cash Equivalents	\$ 6,050,696
Contributions Receivable	759,670
Program Receivables	1,019,378
Employee Retention Credits Receivable	<u>2,053,997</u>
Total Financial Assets	9,883,741
Less Amounts Unavailable for General Expenditures Within One Year Due to:	
Net Assets Restricted for Capital Campaign	(4,123,033)
Restricted by Donor with Time or Purpose Restrictions	(2,142,144)
Plus Amounts Expended to Date For Projects in Progress, Not Yet Released from Restriction	<u>4,123,033</u>
Financial Assets Available to Meet Cash Needs for General Expenditure Within One Year	<u>\$ 7,741,597</u>

The Organization maintains its financial assets on hand to meet 60 days of normal operating expenses, which were, on average, approximately \$3,100,000 in 2021. The Organization manages its liquid resources by structuring its financial assets to be available as its general expenditures, liabilities, and other obligations become due. In addition, the Organization invests cash in excess of daily requirements in various short-term investments, including money market funds. In the event of unanticipated liabilities, the Organization could draw upon its \$750,000 available line of credit (see Note 7) or its endowment funds without donor restrictions (see Note 10).



# YMCA of Greater Omaha

## Notes to Financial Statements

December 31, 2021 and 2020

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### 3. Contributions Receivable

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Contributions receivable at December 31 consists of the following:

	<u>2021</u>	<u>2020</u>
Contributions Receivable Due in:		
Less than One Year	\$ 759,670	\$ 709,438
Two Years	211,500	212,500
Three Years	11,500	200,000
Four Years	9,000	-
Five Years	5,000	-
	<hr/>	<hr/>
	996,670	1,121,938
 Less Discount to Present Value	 15,758	 25,560
	<hr/>	<hr/>
Present Value of Contributions Receivable	980,912	1,096,378
 Less Current Portion	 759,670	 709,438
	<hr/>	<hr/>
Contributions Receivable, Less Current Portion	<u>\$ 221,242</u>	<u>\$ 386,940</u>

### 4. Marketable Securities

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Marketable securities at December 31 consists of the following:

	<u>Cost</u>	<u>Gross Unrealized Gains</u>	<u>Gross Unrealized Losses</u>	<u>Fair Value</u>
<b><u>2021</u></b>				
Money Market Funds	\$ 1,011,604	\$ -	\$ -	\$ 1,011,604
Beneficial Interest in Assets Held by Community Foundation	32,903	9,762	-	42,665
Mutual Funds	10,447,407	969,691	(177,987)	11,239,111
Total Marketable Securities	<hr/> <u>\$ 11,491,914</u>	<hr/> <u>\$ 979,453</u>	<hr/> <u>\$ (177,987)</u>	<hr/> <u>\$ 12,293,380</u>
 <b><u>2020</u></b>				
Money Market Funds	\$ 89,435	\$ -	\$ -	\$ 89,435
Beneficial Interest in Assets Held by Community Foundation	30,384	8,405	-	38,789
Mutual Funds	3,193,545	504,820	-	3,698,365
Total Marketable Securities	<hr/> <u>\$ 3,313,364</u>	<hr/> <u>\$ 513,225</u>	<hr/> <u>\$ -</u>	<hr/> <u>\$ 3,826,589</u>

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# YMCA of Greater Omaha

## Notes to Financial Statements

December 31, 2021 and 2020

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### 5. Fair Value Measurements

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FASB Codification Topic 820-10 on *Fair Value Measurements* (FASB 820-10) establishes a framework for measuring fair value and provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

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

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability, and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2021 and 2020.

*Money Market and Mutual Funds:* Valued at the closing price reported on the active market on which the individual securities are traded.

The beneficial interest in assets held at the Omaha Community Foundation ("the Community Foundation") has been valued, as a practical expedient, at the fair value of the Organization's share of the Community Foundation's investment pool as of the measurement date. The Community Foundation values securities and other financial instruments on a fair value basis of accounting. The estimated fair values of certain investments of the Community Foundation are determined by the management of the Community Foundation and may not reflect amounts that could be realized upon immediate sale, nor amounts that ultimately may be realized. Accordingly, the estimated fair values may differ significantly from the values that would have been used had a ready market existed for these investments.

# YMCA of Greater Omaha

## Notes to Financial Statements

### December 31, 2021 and 2020

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The method described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date

The following table presents by level, within the fair value hierarchy, the Organization's assets and liabilities at fair value as of December 31, 2021.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money Market Funds	\$ 1,011,604	\$ -	\$ -	\$ 1,011,604
Beneficial Interest in Assets Held by Community Foundation	-	42,665	-	42,665
Mutual Funds	11,239,111	-	-	11,239,111
Total at Fair Value	<u>\$ 12,250,715</u>	<u>\$ 42,665</u>	<u>\$ -</u>	<u>\$ 12,293,380</u>

The following table presents by level, within the fair value hierarchy, the Organization's assets and liabilities at fair value as of December 31, 2020.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money Market Funds	\$ 89,435	\$ -	\$ -	\$ 89,435
Beneficial Interest in Assets Held by Community Foundation	-	38,789	-	38,789
Mutual Funds	3,698,365	-	-	3,698,365
Total at Fair Value	<u>\$ 3,787,800</u>	<u>\$ 38,789</u>	<u>\$ -</u>	<u>\$ 3,826,589</u>

# YMCA of Greater Omaha

## Notes to Financial Statements

December 31, 2021 and 2020

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### 6. Property and Equipment, Net

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Property and equipment at December 31 consists of the following:

	<u>2021</u>	<u>2020</u>
Land	\$ 3,434,920	\$ 3,434,920
Buildings	55,362,360	55,282,981
Equipment	4,562,838	4,400,818
Land Improvements	2,537,175	2,537,175
Website and Software	386,813	261,749
Projects in Progress	4,220,529	2,468,369
Total Cost	70,504,635	68,386,012
Less Accumulated Depreciation	29,955,810	28,083,051
Net Book Value	<u>\$ 40,548,825</u>	<u>\$ 40,302,961</u>

Effective January 23, 2020, the Organization entered into an agreement with Douglas County School District 1 (“the District”), in which the Organization and the District will share in the costs of construction of a new facility. The new facility will include premises exclusively for use by the Organization’s members and additional shared use areas to be available for use by both the Organization and the District. The total costs of construction for the facility are anticipated to be \$13,500,000. The Organization is required to provide \$9,500,000 of funding towards the total cost. The Organization has commenced a capital campaign in order to gain funding and has received approximately \$3,254,000 and \$2,668,000 of contributions restricted for use on costs of construction as of December 31, 2021 and 2020, respectively. In addition, the Organization secured \$4,000,000 of funds in 2021 that were contributed directly to the District. Costs of construction are included in projects in progress. As of December 31, 2021, conditional campaign commitments of \$2,000,000 have been received and will be recognized as contribution revenue when the conditions within the agreements have been met. Construction is anticipated to be completed during 2022.

### 7. Financing Arrangement

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The Organization’s financing arrangement consists of a \$750,000 unsecured revolving bank line of credit due October 2022 with interest payable monthly at the Prime Rate as published by the Wall Street Journal (the Prime Rate was 3.25% at December 31, 2021). There were no amounts outstanding against this line of credit at December 31, 2021 and 2020.

# YMCA of Greater Omaha

## Notes to Financial Statements

December 31, 2021 and 2020

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### 8. Long-Term Debt

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Long-term debt at December 31, consists of the following:

	<u>2021</u>	<u>2020</u>
Note payable to a bank, payable in monthly installments of \$62,921, including interest at 3.05%, through September 2027 when a balloon payment is due, collateralized by the Council Bluffs, Armbrust, Southwest, and Sarpy buildings. This note contains restrictive covenants with which the Organization was in compliance at December 31, 2021 and 2020.	\$ 10,801,620	\$ 11,215,673
Non-interest bearing note payable to an organization, payable in annual installments of \$25,000 through March 2021. The note was paid in full during 2021.	-	<u>25,000</u>
Total Long-Term Debt	10,801,620	11,240,673
Less Current Portion	<u>427,055</u>	<u>439,068</u>
Long-Term Debt, Less Current Portion	<u>\$ 10,374,565</u>	<u>\$ 10,801,605</u>

The aggregate maturities of long-term debt for the years ending after December 31, 2021 are as follows:

<u>Year Ending December 31,</u>	
2022	\$ 427,055
2023	440,450
2024	453,410
2025	468,487
2026	483,181
Thereafter	<u>8,529,037</u>
	<u>\$ 10,801,620</u>

# YMCA of Greater Omaha

## Notes to Financial Statements

December 31, 2021 and 2020

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### 9. Restrictions and Limitations on Net Asset Balances

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Net assets with donor restrictions that are temporary in nature at December 31 consists of the following:

	<u>2021</u>	<u>2020</u>
Capital Campaign	\$ 4,123,033	\$ 3,557,505
Sustaining Campaign	103,457	104,975
United Way Allocation:		
Youth Development	160,500	184,626
Healthy Living	32,500	5,000
Other - Grants	1,840,987	715,289
Other - Operation Contributions	4,700	1,500
	<u>\$ 6,265,177</u>	<u>\$ 4,568,895</u>

Net assets released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by the donors during the years ended December 31 consist of the following:

	<u>2021</u>	<u>2020</u>
Operating:		
Sustaining Campaign	\$ 104,975	\$ 210,105
United Way Allocation	333,907	190,570
Other	1,239,423	1,876,581
Total Operating	<u>1,678,305</u>	<u>2,277,256</u>
Capital Campaign	20,675	102,672
	<u>\$ 1,698,980</u>	<u>\$ 2,379,928</u>

Net assets with donor restrictions that are permanent in nature (see Note 10) at December 31, the income from which is expendable for program services, consists of the following:

	<u>2021</u>	<u>2020</u>
Peter Kiewit Trust	\$ 500,000	\$ 500,000
Marshall Trust	103,587	103,587
Henry Ogram Trust	75,000	75,000
Credit Shelter Family Trust	5,000	5,000
	<u>\$ 683,587</u>	<u>\$ 683,587</u>

# YMCA of Greater Omaha

## Notes to Financial Statements

December 31, 2021 and 2020

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### 10. Endowment Funds

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The Organization's endowment consists of certain funds established for various donor-restricted purposes. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Organization follows the provisions of the State of Nebraska Prudent Management of Institutional Funds Act (SPMIFA). SPMIFA requires the preservation of the fair value of the original gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result, the Organization classifies as net assets with donor restrictions permanent in nature (a) the original value of the gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instruments at the time the accumulation is added to the fund.

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

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

As there are no donor restrictions on interest and dividends from the Marguerite Marshall Trust or the Peter Kiewit Endowment, income earned on these endowments is available annually to be spent on operations and is reflected in net asset without donor restrictions activity. Donor restrictions on the Henry C. Ogram Trust require that all earnings be spent on Needy Children at the YMCA Camp. Income from this endowment is available annually to be spent on day camp scholarships and is reflected in net assets with donor restrictions until all scholarships have been awarded. As of December 31, 2021, all scholarships had been awarded according to the decedent's wishes and no earnings were held in net asset with donor restrictions.

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs and other items supported by its endowment while seeking to maintain the purchasing power of the endowment. Endowment assets included those assets of donor-restricted endowment funds the Organization must hold in perpetuity or for donor-specified periods. Under the Organization's policies, endowment assets are invested in a manner that is intended to preserve inflation adjusted values and provide annual budgetary support that is both stable and growing.

To satisfy its long-term rate of return objective, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and a current yield (interest and dividends). The Organization targets a diversified asset allocation, including, but not limited to, equity and fixed income instruments.

# YMCA of Greater Omaha

## Notes to Financial Statements

### December 31, 2021 and 2020

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All funds with donor restrictions are required to be retained permanently by explicit donor stipulation or SPMIFA and the composition of these net assets is set forth in Note 9.

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or SPMIFA requires the Organization to retain as a fund of perpetual duration. Deficiencies of this nature, if any, would be reported in net assets without donor restrictions. These deficiencies could result from unfavorable market fluctuations that occurred after the investment of new permanently restricted contributions and continued appropriation for certain programs that was deemed prudent by the Organization. Subsequent gains that would restore the fair value of the assets of the endowment fund to the required level will be classified as an increase in net assets without donor restrictions.

Changes in endowment net assets for the year ended December 31, 2021 are as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions Permanent in Nature</u>	<u>Total</u>
Endowment, Beginning of Year	\$ 3,143,002	\$ 683,587	\$ 3,826,589
Contributions	8,000,000	-	8,000,000
Investment Return			
Investment Income, Net	83,652	-	83,652
Realized and Unrealized Gains on Investments, Net	402,090	-	402,090
Total Investment Return	<u>485,742</u>	<u>-</u>	<u>485,742</u>
Withdrawals of Interest	<u>(18,951)</u>	<u>-</u>	<u>(18,951)</u>
Endowment, End of Year	<u>\$ 11,609,793</u>	<u>\$ 683,587</u>	<u>\$ 12,293,380</u>

During 2021, \$8,000,000 of excess cash was transferred to the Organization's investment accounts as a board-designated endowment.



# YMCA of Greater Omaha

## Notes to Financial Statements

December 31, 2021 and 2020

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Changes in endowment net assets for the year ended December 31, 2020 are as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions Permanent in Nature</u>	<u>Total</u>
Endowment, Beginning of Year	\$ 2,754,677	\$ 683,587	\$ 3,438,264
Investment Return			
Investment Income, Net	51,647	-	51,647
Realized and Unrealized Gains on Investments, Net	336,678	-	336,678
Total Investment Return	<u>388,325</u>	<u>-</u>	<u>388,325</u>
Endowment, End of Year	<u>\$ 3,143,002</u>	<u>\$ 683,587</u>	<u>\$ 3,826,589</u>

### 11. Commitments and Contingencies

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#### Lease Obligations

The Organization has entered into various operating leases for parking lot space and office equipment used by the Organization. The future minimum lease payments under these noncancelable operating leases as of December 31, 2021 are as follows:

<u>Year Ending December 31,</u>	
2022	\$ 19,303
2023	13,758
2024	7,324
2025	4,279
	<u>\$ 44,664</u>

Lease expense under these operating leases was approximately \$48,000 and \$55,000 for the years ended December 31, 2021 and 2020, respectively.

The Organization has entered into a ground lease related to its facility in Council Bluffs. The lease is for a period of 10 years, ending in June 2025. As part of the lease agreement, the Organization is leasing space in the building back to the donor for an amount equal to the lease ground payments, resulting in no economic impact to the Organization over the lease period. The donor provides certain rehab, quick care and urgent care services out of its leased space in the building. At the expiration of the lease term, and assuming the Organization is not in default under any of the covenants and conditions of the ground lease, the Organization shall have the right to purchase the ground leased premises for \$1. At the time of the expiration, the Organization will record the land and donation on its books at the then discounted fair market value.

# YMCA of Greater Omaha

## Notes to Financial Statements

December 31, 2021 and 2020

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### Commitments

Effective July 23rd, 2021, the Organization entered into a management agreement with the City of Gretna (“the City”) and Sarpy County School District (“the District”) to operate a newly constructed facility, in which the City and the District will share in the costs of construction. The Organization will operate the facility similar to other like facilities and will share a portion of the yearly surplus/deficit with the City and the District.

### Legal Proceedings

The Organization is party to legal proceedings arising in the ordinary course of its business. In the opinion of management and its legal counsel, disposition of these matters will not materially affect the Organization’s financial position or results of operations.

## 12. Benefit Plan

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The Organization participates in the Young Men’s Christian Organization Retirement Fund, a defined contribution retirement plan available to all duly organized or reorganized YMCAs in the United States of America. The plan covers substantially all employees upon completion of two years of service and attainment of 21 years of age. From January through March 2020, the Organization made contributions to the plan of 12% of a participant’s annual wages. In April 2020, the Plan was amended to decrease contributions to 1% of a participant’s annual wages. In October 2020, the Plan was further amended to increase contributions to 9% of a participant’s annual wages. In April 2021, the Plan was amended to increase contributions to 12% of a participant’s annual wages. The Organization’s benefit plan costs were approximately \$602,000 and \$371,000 for the years ended December 31, 2021 and 2020, respectively.

## 13. Sharing of Public Support

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In accordance with the affiliation agreement with the Organization’s national association, a percentage of total unrestricted public support and revenue (as adjusted for certain direct costs of producing revenue) shall be shared with the national association as determined by the Organization’s Board of Directors. In accordance with the agreement, approximately 1% of such support and revenue was subject to these provisions for 2021 and 2020. Such amounts are used as directed by the national association’s Board of Directors for national programs of research, education and community services, and for management and general and fund-raising expenses.

**Lutz**