

**THE YOUNG MEN'S CHRISTIAN  
ASSOCIATION (YMCA)  
OF GREATER GRAND RAPIDS**

*FINANCIAL STATEMENTS*

*Years Ended December 31, 2020 and 2019*

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## INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS

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Board of Directors  
The Young Men's Christian Association (YMCA)  
of Greater Grand Rapids  
Grand Rapids, Michigan

### Report on the Financial Statements

We have audited the accompanying financial statements of The YMCA of Greater Grand Rapids (YMCA), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

## Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the YMCA as of December 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 11, 2021 on our consideration of the YMCA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the YMCA's internal control over financial reporting and compliance.



May 11, 2021  
Grand Rapids, Michigan

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**FINANCIAL STATEMENTS**

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# THE YMCA OF GREATER GRAND RAPIDS

## STATEMENTS OF FINANCIAL POSITION

December 31, 2020 and 2019

	2020	2019
<b>ASSETS</b>		
Cash and cash equivalents	\$ 2,837,777	\$ 5,878,453
Investments	6,752,084	6,160,255
Accounts and grants receivable, net of allowance for doubtful accounts of \$282,464 and \$115,534 respectively	590,113	556,542
Pledges receivable, net of allowance	240,335	735,003
Other assets	355,877	431,973
Property and equipment	70,603,290	73,468,573
Beneficial interests in perpetual trusts	827,131	775,045
<b>TOTAL ASSETS</b>	<b>\$ 82,206,607</b>	<b>\$ 88,005,844</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Liabilities</b>		
Accounts payable and accrued expenses	\$ 1,755,559	\$ 1,347,842
Deferred program and membership income	1,106,825	1,522,802
Obligations under interest rate swaps	3,634,794	1,970,537
Bonds payable, net of unamortized financing fees of \$583,161 and \$654,616, respectively	38,157,839	38,819,384
Capital leases	197,907	390,140
<b>TOTAL LIABILITIES</b>	<b>44,852,924</b>	<b>44,050,705</b>
<b>Net Assets</b>		
Without donor restrictions	33,723,580	40,606,993
With donor restrictions	3,630,103	3,348,146
<b>TOTAL NET ASSETS</b>	<b>37,353,683</b>	<b>43,955,139</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 82,206,607</b>	<b>\$ 88,005,844</b>

See accompanying notes

# THE YMCA OF GREATER GRAND RAPIDS

## STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

Years Ended December 31, 2020 and 2019

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
	<b>Revenues, Gains, and Other Support</b>					
Contributions and grants	\$ 3,978,727	\$ 1,191,063	\$ 5,169,790	\$ 3,656,141	\$ 1,456,521	\$ 5,112,662
Membership fees	7,494,564	-	7,494,564	20,225,143	-	20,225,143
Program fees	5,637,212	-	5,637,212	8,821,271	-	8,821,271
Miscellaneous income	57,285	-	57,285	101,308	-	101,308
Loss on disposal of property and equipment	(1,308)	-	(1,308)	(83,842)	-	(83,842)
Investment income	292,566	5,304	297,870	472,665	93,983	566,648
Interest rate swap adjustment	(1,664,257)	-	(1,664,257)	(1,824,272)	-	(1,824,272)
Change in beneficial interests in perpetual trusts	-	52,086	52,086	-	105,353	105,353
Net assets released from restrictions	966,496	(966,496)	-	1,153,182	(1,153,182)	-
<b>Total Revenues, Gains, and Other Support</b>	<b>16,761,285</b>	<b>281,957</b>	<b>17,043,242</b>	<b>32,521,596</b>	<b>502,675</b>	<b>33,024,271</b>
<b>Expenses</b>						
Program services						
Aquatic program	1,430,040	-	1,430,040	2,964,924	-	2,964,924
Camping program	999,397	-	999,397	1,553,684	-	1,553,684
Child care	9,371,786	-	9,371,786	10,296,535	-	10,296,535
Physical fitness and wellness	5,794,495	-	5,794,495	12,091,077	-	12,091,077
Healthy living	2,491,082	-	2,491,082	3,150,263	-	3,150,263
<b>Total Program Services</b>	<b>20,086,800</b>	<b>-</b>	<b>20,086,800</b>	<b>30,056,483</b>	<b>-</b>	<b>30,056,483</b>
Supporting services						
Management and general	3,212,396	-	3,212,396	3,979,124	-	3,979,124
Fundraising	345,502	-	345,502	467,574	-	467,574
<b>Total Supporting Services</b>	<b>3,557,898</b>	<b>-</b>	<b>3,557,898</b>	<b>4,446,698</b>	<b>-</b>	<b>4,446,698</b>
<b>Total Expenses</b>	<b>23,644,698</b>	<b>-</b>	<b>23,644,698</b>	<b>34,503,181</b>	<b>-</b>	<b>34,503,181</b>
<b>DECREASE IN NET ASSETS</b>	<b>(6,883,413)</b>	<b>281,957</b>	<b>(6,601,456)</b>	<b>(1,981,585)</b>	<b>502,675</b>	<b>(1,478,910)</b>
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<b>40,606,993</b>	<b>3,348,146</b>	<b>43,955,139</b>	<b>42,588,578</b>	<b>2,845,471</b>	<b>45,434,049</b>
<b>NET ASSETS AT END OF YEAR</b>	<b>\$33,723,580</b>	<b>\$3,630,103</b>	<b>\$37,353,683</b>	<b>\$40,606,993</b>	<b>\$3,348,146</b>	<b>\$ 43,955,139</b>

See accompanying notes

**THE YMCA OF GREATER GRAND RAPIDS**  
STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2020

	PROGRAM SERVICES						SUPPORTING SERVICES			TOTAL EXPENSES
	AQUATIC PROGRAMS	CAMPING PROGRAMS	CHILD CARE	PHYSICAL FITNESS & WELLNESS	HEALTHY LIVING	TOTAL	MANAGEMENT & GENERAL	FUND RAISING		
SALARIES & WAGES	\$ 664,401	\$ 356,879	\$ 3,976,648	\$ 2,339,391	\$ 1,579,353	\$ 8,916,672	\$ 1,594,621	\$ 294,969	\$ 10,806,262	
EMPLOYEE BENEFITS	55,830	58,046	462,136	244,871	147,541	968,424	175,397	12,902	1,156,723	
PAYROLL TAXES	48,779	24,721	245,027	166,615	100,319	585,461	108,133	10,334	703,928	
CONTRACTED SERVICES	55,781	25,911	396,426	223,589	20,733	722,440	317,724	2,928	1,043,092	
SUPPLIES	30,396	114,434	412,347	201,830	213,075	972,082	18,588	185	990,855	
TELEPHONE	10,223	13,811	75,165	42,972	12,800	154,971	20,407	1,060	176,438	
POSTAGE & SHIPPING	234	1,449	1,428	927	1,673	5,711	11,742	1,056	18,509	
OCCUPANCY	155,751	95,861	1,148,883	665,013	75,307	2,140,815	234,245	-	2,375,060	
EQUIPMENT	5,155	4,802	31,676	19,998	8,216	69,847	15,021	36	84,904	
ADVERTISING & PRINTING	1,639	2,052	15,108	7,203	3,860	29,862	284,501	1,449	315,812	
TRAVEL & EMPLOYEE EXPENSES	1,742	49,018	35,237	10,942	45,024	141,963	17,226	498	159,687	
CONFERENCES & MEETINGS	2,447	1,934	25,413	789	5,455	36,038	6,792	1,651	44,481	
BAD DEBT EXPENSE	-	-	-	-	-	-	194,945	-	194,945	
ORGANIZATIONAL DUES & SUPPORT	15,365	18,927	109,293	62,956	24,936	231,477	24,243	25	255,745	
AWARDS & GRANTS	(5,408)	-	27,557	(32,356)	199,289	189,082	(149,516)	-	39,566	
FINANCING COSTS	123,027	6,447	803,941	759,153	6,555	1,699,123	42,322	-	1,741,445	
INSURANCE	9,042	6,319	59,260	36,640	15,752	127,013	48,377	9,261	184,651	
MISCELLANEOUS EXPENSES	102	64	808	395	108	1,477	2,287	1	3,765	
DEPRECIATION & AMORTIZATION	255,148	206,522	1,542,516	1,041,569	30,133	3,075,888	223,121	-	3,299,009	
INK/IND EXPENSE	386	12,200	2,917	1,998	953	18,454	22,220	9,147	49,821	
SPECIAL EVENT EXPENSE	-	-	-	-	-	-	-	24,048	24,048	
<b>TOTAL EXPENSE</b>	<b>1,430,040</b>	<b>999,397</b>	<b>9,371,786</b>	<b>5,794,495</b>	<b>2,491,082</b>	<b>20,086,800</b>	<b>3,212,396</b>	<b>369,550</b>	<b>23,668,746</b>	
LESS EXPENSES INCLUDED WITH REVENUES ON THE STATEMENT OF ACTIVITIES	-	-	-	-	-	-	-	(24,048)	(24,048)	
<b>TOTAL EXPENSES INCLUDED IN THE EXPENSE SECTION ON THE STATEMENT OF ACTIVITIES</b>	<b>\$ 1,430,040</b>	<b>\$ 999,397</b>	<b>\$ 9,371,786</b>	<b>\$ 5,794,495</b>	<b>\$ 2,491,082</b>	<b>\$ 20,086,800</b>	<b>\$ 3,212,396</b>	<b>\$ 345,502</b>	<b>\$ 23,644,698</b>	

See accompanying notes





**THE YMCA OF GREATER GRAND RAPIDS**  
STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2019

	PROGRAM SERVICES						SUPPORTING SERVICES			TOTAL EXPENSES
	AQUATIC PROGRAMS	CAMPING PROGRAMS	CHILD CARE	PHYSICAL FITNESS & WELLNESS	HEALTHY LIVING	TOTAL	MANAGEMENT & GENERAL	FUND RAISING		
SALARIES & WAGES	\$ 1,655,801	\$ 594,348	\$ 4,794,037	\$ 6,031,940	\$ 1,758,692	\$ 14,834,818	\$ 2,017,843	\$ 367,680	\$ 17,220,341	
EMPLOYEE BENEFITS	102,123	87,813	609,079	470,355	205,079	1,474,449	298,712	17,044	1,790,205	
PAYROLL TAXES	137,798	48,308	390,594	497,473	139,862	1,214,035	108,570	14,983	1,337,588	
CONTRACTED SERVICES	124,820	84,492	547,320	518,914	53,144	1,328,690	231,016	6,505	1,566,211	
SUPPLIES	69,401	226,367	682,883	505,081	235,915	1,719,647	39,437	1,282	1,760,366	
TELEPHONE	9,315	15,032	50,510	41,551	20,946	137,354	24,128	991	162,473	
POSTAGE & SHIPPING	1,155	3,954	3,967	4,684	1,075	14,835	29,152	1,316	45,303	
OCCUPANCY	290,593	131,701	1,159,216	1,250,665	76,747	2,908,922	276,413	-	3,185,335	
EQUIPMENT	13,203	13,683	53,012	58,639	5,488	144,025	24,068	-	168,093	
ADVERTISING & PRINTING	4,330	5,022	23,463	19,551	19,513	71,879	403,220	13,804	488,903	
TRAVEL & EMPLOYEE EXPENSES	8,660	70,055	73,258	35,311	97,105	284,389	70,973	4,689	360,051	
CONFERENCES & MEETINGS	15,831	5,900	82,673	18,863	35,993	159,260	87,676	25,400	272,336	
BAD DEBT EXPENSE	-	-	-	-	-	-	(26,735)	-	(26,735)	
ORGANIZATIONAL DUES & SUPPORT	40,839	31,828	140,796	166,245	35,771	415,479	30,033	2,845	448,357	
AWARDS & GRANTS	(31,418)	-	(79,832)	(130,447)	391,089	149,392	4,314	-	153,706	
FINANCING COSTS	165,005	16,151	582,211	1,130,495	16,604	1,910,466	67,771	-	1,978,237	
INSURANCE	14,964	7,235	51,419	60,970	12,940	147,528	22,704	8,502	178,734	
MISCELLANEOUS EXPENSES	4	143	62	121	36	366	2,354	-	2,720	
DEPRECIATION & AMORTIZATION	345,664	204,395	1,113,137	1,416,820	41,628	3,121,644	205,538	-	3,327,182	
IN-KIND EXPENSE	(3,164)	7,257	18,730	(6,154)	2,636	19,305	61,937	2,533	83,775	
SPECIAL EVENT EXPENSE	-	-	-	-	-	-	-	103,128	103,128	
<b>TOTAL EXPENSE</b>	<b>2,964,924</b>	<b>1,553,684</b>	<b>10,296,535</b>	<b>12,091,077</b>	<b>3,150,263</b>	<b>30,056,483</b>	<b>3,979,124</b>	<b>570,702</b>	<b>34,606,309</b>	
LESS EXPENSES INCLUDED WITH REVENUES ON THE STATEMENT OF ACTIVITIES	-	-	-	-	-	-	-	(103,128)	(103,128)	
<b>TOTAL EXPENSES INCLUDED IN THE EXPENSE SECTION ON THE STATEMENT OF ACTIVITIES</b>	<b>\$ 2,964,924</b>	<b>\$ 1,553,684</b>	<b>\$ 10,296,535</b>	<b>\$ 12,091,077</b>	<b>\$ 3,150,263</b>	<b>\$ 30,056,483</b>	<b>\$ 3,979,124</b>	<b>\$ 467,574</b>	<b>\$ 34,503,181</b>	

See accompanying notes



# THE YMCA OF GREATER GRAND RAPIDS

## STATEMENTS OF CASH FLOWS

Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<b>Cash Flows from Operating Activities</b>		
Decrease in net assets	\$ (6,601,456)	\$ (1,478,910)
Adjustments to reconcile decrease in net assets to net cash (used) provided by operating activities		
Depreciation and amortization	3,299,009	3,327,183
Amortization of financing fees included in interest expense	71,455	71,455
Interest rate swap adjustment	1,664,257	1,824,272
Contributions restricted for capital purposes	(388,354)	-
Provision for doubtful accounts and pledges receivable	194,946	(26,732)
Loss on disposal of property and equipment	1,308	83,842
Net realized and unrealized gain on investments	(20,908)	(186,992)
Unrealized gain on beneficial interests in perpetual trusts	(52,086)	(105,353)
Changes in operating assets and liabilities		
Accounts receivable	(105,844)	(188,825)
Pledges receivable	268,912	36,486
Other assets	76,096	(743)
Accounts payable and accrued expenses	454,509	22,133
Deferred program and membership income	(415,977)	194,874
<b>NET CASH (USED) PROVIDED BY OPERATING ACTIVITIES</b>	<b>(1,554,133)</b>	<b>3,572,690</b>
<b>Cash Flows from Investing Activities</b>		
Proceeds from sale of investments	5,103,086	7,578,693
Purchase of investments	(5,674,007)	(8,205,716)
Additions to property and equipment	(485,071)	(1,760,463)
Proceeds from sale of property and equipment	3,245	12,493
<b>NET CASH USED BY INVESTING ACTIVITIES</b>	<b>(1,052,747)</b>	<b>(2,374,993)</b>

See accompanying notes

# THE YMCA OF GREATER GRAND RAPIDS

## STATEMENTS OF CASH FLOWS (CONTINUED)

Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<b>Cash Flows from Financing Activities</b>		
Principal payments on bonds payable	\$ (733,000)	\$ (1,461,000)
Payments on capital lease obligations	(192,233)	(140,562)
Proceeds from contributions restricted for capital purposes	<u>491,437</u>	<u>331,067</u>
<b>NET CASH USED BY FINANCING ACTIVITIES</b>	<u>(433,796)</u>	<u>(1,270,495)</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(3,040,676)</b>	<b>(72,798)</b>
<b>Cash and Cash Equivalents at Beginning of Year</b>	<u>5,878,453</u>	<u>5,951,251</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u>\$ 2,837,777</u>	<u>\$ 5,878,453</u>
<b>Supplemental Information</b>		
Cash paid for interest expense	<u>\$ 1,354,278</u>	<u>\$ 1,385,862</u>
<b>Non-Cash Transactions</b>		
Property and equipment included in accounts payable	<u>\$ 30,640</u>	<u>\$ 77,432</u>
Property and equipment financed with capital lease obligations	<u>\$ -</u>	<u>\$ 203,414</u>

See accompanying notes

# THE YMCA OF GREATER GRAND RAPIDS

## NOTES TO FINANCIAL STATEMENTS

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December 31, 2020 and 2019

### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **Nature of Business**

The YMCA of Greater Grand Rapids (YMCA) strives to be West Michigan's leading nonprofit strengthening communities through youth development, healthy living, and social responsibility. Through our seven branch locations, YMCA Camp Manitou-Lin, Child Development Centers and child care programs, and over 100 community program sites, the YMCA is committed to improving the health and well-being of children, individuals, and families throughout our community.

With a mission to put Christian principles into practice through programs that build a healthy spirit, mind, and body for all, our impact is felt when an individual makes a healthy choice, when a mentor inspires a child, and when a community comes together for the common good.

#### **Basis of Accounting**

The financial statements have been prepared on the accrual basis of accounting.

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

Cash and cash equivalents consist of cash on hand and on deposit as well as highly liquid investments purchased with a maturity of three months or less.

The YMCA places its cash with federally insured financial institutions. The YMCA had cash balances that exceeded the federally insured limits at December 31, 2020 and 2019 and throughout the year.

Cash restricted for long-term purposes was \$326,467 and \$-0- at December 31, 2020 and 2019, respectively.

#### **Investments**

Investments are reported at fair value, as disclosed in Note 3. Investments received as donations are recorded initially at fair value on the date of receipt. Net investment income/(loss) is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external investment expenses.

# THE YMCA OF GREATER GRAND RAPIDS

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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December 31, 2020 and 2019

### **Fair Value Measurements and Disclosures**

U.S. generally accepted accounting principles establishes a framework for measuring fair value. That framework 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 measurements involving significant unobservable inputs (Level 3 measurements).

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The YMCA utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Financial assets and liabilities carried at fair value are classified and disclosed in one of the following three categories:

- Level 1 Valuations for assets and liabilities traded in active exchange markets, such as the New York Stock Exchange. Level 1 also includes U.S. Treasury and federal agency securities and federal agency mortgage-backed securities, which are traded by dealers or brokers in active markets. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.
- Level 2 Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third party pricing services for identical or similar assets or liabilities.
- Level 3 Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer, or broker traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities.

### **Accounts and Grants Receivable**

Accounts receivable and fee for service grants receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable.

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# THE YMCA OF GREATER GRAND RAPIDS

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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December 31, 2020 and 2019

Accounts receivable also includes amounts due from the Internal Revenue Service for the Employee Retention Credit (ERC) as established by the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) and further modified and extended by the Consolidated Appropriations Act, 2021 (CAA). The YMCA has determined that it is qualified to recover amounts previously paid for employee wages and health insurance during 2020 by claiming the ERC, and expects to receive payment during 2021.

Fee for service grant revenue is recognized under the terms of each grant, typically when expenditures are made or service is provided.

### **Pledges Receivable**

Unconditional pledges receivable are recognized as revenue in the period the pledge is made and as assets, decreases of liabilities or expenses depending on the form of the benefits to be received. Conditional promises to give are recognized when the conditions upon which they depend are substantially met.

Pledges receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to promises to give.

Unconditional pledges expected to be collected in periods in excess of one year are recognized at the discounted net present value of the estimated future cash flows at the time the pledge is received using discount rates that approximate U.S. Treasury rates in effect at the time the pledge revenues are recognized. The change in the present value due to the passage of time is recognized as contribution revenue. Management annually reviews these assets to determine the net realizable value of the pledge. The discount to present value for long-term pledges receivable was not material to record for the years ended December 31, 2020 and 2019.

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

Property and equipment additions are recorded at cost or, if donated, at the fair market value on the date of the gift. Donations of property and equipment are recorded as support at estimated fair value at the time received. The YMCA reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

# THE YMCA OF GREATER GRAND RAPIDS

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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December 31, 2020 and 2019

Property and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Management annually reviews assets to determine whether carrying values have been impaired. If the expected future cash flow from the use of the asset and its eventual disposition is less than the carrying amount of the asset, an impairment loss is recognized and measured using the asset's fair value. No such losses were recognized during 2020 and 2019.

Major improvements and renewals are capitalized while ordinary maintenance and repairs are expensed. The YMCA capitalizes, at cost, all expenditures for fixed assets in excess of \$1,500, including bulk purchases. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets, which range generally from 3 to 40 years, except for equipment acquired by federal grant funds, which is depreciated over the term of the grant.

### **Capitalized Interest**

Interest costs related to borrowings necessary for the completion of new facilities are capitalized during the construction period, and are subsequently depreciated over the estimated useful life of the facility.

### **Financing Fees**

Bond financing fees are capitalized and amortized over the life of the related bonds. Financing fees are shown as a reduction of the carrying amount of the debt. Amortization of the fees is reported as interest expense on the statement of activities.

### **Derivative Instruments**

The YMCA uses derivatives to manage risks related to interest rate movements. Under FASB ASC 815-20, the YMCA assumes there is no hedge ineffectiveness and applies the simplified hedge accounting approach for all interest rate swaps meeting those criteria. In addition, the YMCA measures the swap using settlement value rather than fair value. Material gain or loss on the effective portion of the hedge is included in the statement of activities. The YMCA documents its risk management strategy and hedge effectiveness at the inception of and during the term of each hedge. The YMCA's interest rate risk management strategy is to stabilize cash flow requirements by maintaining interest rate swap contracts to convert variable-rate debt to a fixed rate. The YMCA does not use derivative instruments for speculative purposes.

# THE YMCA OF GREATER GRAND RAPIDS

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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December 31, 2020 and 2019

### **Net Assets**

The financial statements of the YMCA have been prepared in accordance with U.S. generally accepted accounting principles (US GAAP), which require the YMCA to report information regarding its financial position and activities according to the following net asset classifications:

- Net assets without donor restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for purposes as described in Note 10.
- Net assets with donor restrictions – Net assets subject to donor (or certain grantor) 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. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. The YMCA reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends, or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor-restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

### **Revenue Recognition**

The YMCA recognizes revenue from contracts with customers through four primary revenue streams including membership fees, program fees, childcare fees and sales of goods. Fees are payable prior to the start of the applicable service period. Revenue is recognized evenly over the service period. Deferred program and membership income (contract liabilities) on the statement of financial position represents payments received from members for which the service period has not yet occurred. These revenues are recognized as earned over the life of the membership or program. The YMCA also records unearned revenues in the event of funds received from reimbursable grant agreements prior to the expenditure of grant funds. Revenue is recognized as funds are expended.

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# THE YMCA OF GREATER GRAND RAPIDS

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2020 and 2019

The following table summarizes the YMCA's disaggregated revenue based on timing of revenue recognition:

	<u>2020</u>	<u>2019</u>
Revenue recognized over time (fees for service)	\$ 12,937,110	\$ 28,597,958
Revenue recognized at a point in time (sale of goods)	<u>194,666</u>	<u>448,456</u>
<b>Revenue from contracts with customers</b>	<b><u>\$ 13,131,776</u></b>	<b><u>\$ 29,046,414</u></b>

### **Contributions**

Contributions are reported as revenue when cash, securities, or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until conditions on which they depend have been substantially met. Special events revenue of \$149,852 and \$303,579 net of direct expenses of \$24,048 and \$103,128 has been included in contributions and grants on the statement of activities for the years ended December 31, 2020 and 2019, respectively.

### **Donated Services**

Each year numerous volunteers donate a significant amount of time supporting the YMCA's programs and activities. Management estimates that volunteers contributed approximately 13,000 and 49,000 hours of service during 2020 and 2019. These contributions, although clearly substantial, are not recognized as contributions in the financial statements since the recognition criteria were not met.

### **Functional Allocation of Expenses**

The costs of providing the various programs and other activities have been reported on a functional basis. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

### **Income Taxes**

The Internal Revenue Service has determined the YMCA is exempt from income taxes under provisions of Code Section 501(c)(3). In addition, the YMCA qualifies for charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2). Tax positions taken are assessed for uncertainty and a provision may be recorded if a tax position is not likely to be sustained upon examination.

# THE YMCA OF GREATER GRAND RAPIDS

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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December 31, 2020 and 2019

### **Advertising**

The YMCA expenses advertising costs as incurred. Advertising expenses for the years ended December 31, 2020 and 2019 were approximately \$316,000 and \$490,000 in 2020 and 2019, respectively.

### **Subsequent Events**

Management has evaluated significant events or transactions occurring subsequent to December 31, 2020 for potential recognition or disclosure in these financial statements. The evaluation was performed through May 11, 2021, the date the financial statements were available for issuance. Subsequent event disclosures are provided in Note 14.

### **Use of Estimates**

The preparation of the financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates. It is at least reasonably possible that the estimates used in calculating the accounts receivable and pledge receivable allowances and deferred income could change over the course of the next year.

### **Recently Issued Accounting Pronouncements**

In February 2016, the Financial Accounting Standards Board (FASB) issued ASU No. 2016-02, Leases (Topic 842), which provides guidance for accounting for leases. The new guidance requires organizations to recognize the assets and liabilities for the rights and obligations created by leased assets, initially measured at the present value of the lease payments. The accounting guidance for lessors is largely unchanged. The ASU is effective for annual periods beginning after December 15, 2021.

The YMCA has evaluated this guidance and determined that it will not materially impact the financial statements.

# THE YMCA OF GREATER GRAND RAPIDS

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2020 and 2019

### NOTE 2 - LIQUIDITY

The YMCA's financial assets available within one year of the balance sheet date for general expenditure are as follows:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 2,464,181	\$ 5,808,388
Accounts receivable	590,113	556,542
Pledges receivable	110,058	516,595
Investment spending-rate distributions	125,200	244,448
	<u>\$ 3,289,552</u>	<u>\$ 7,125,973</u>

As part of the YMCA's liquidity management plan, certain funds are invested according to a board approved investment policy which provides for a 3% distribution to supplement operations. These anticipated distributions are included above.

In addition, the YMCA has access to a line of credit in the amount of \$750,000 that can be utilized as needed for daily operations. The line of credit is further described in Note 6.

### NOTE 3 - FAIR VALUE MEASUREMENTS

Fair values of assets measured on a recurring basis are as follows at December 31:

	2020			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash Equivalents	\$ 1,381,318	\$ 1,381,318	\$ -	\$ -
Equities				
Financial	49,312	49,312	-	-
Asset backed securities	278,900	278,900	-	-
Corporate Bonds	5,042,554	5,042,554	-	-
Total investments	6,752,084	6,752,084	-	-
Beneficial Interests in Perpetual Trusts	827,131	-	-	827,131
	<u>\$ 7,579,215</u>	<u>\$ 6,752,084</u>	<u>\$ -</u>	<u>\$ 827,131</u>

# THE YMCA OF GREATER GRAND RAPIDS

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2020 and 2019

	2019			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash Equivalents	\$ 45,464	\$ 45,464	\$ -	\$ -
Equities				
Financial	51,806	51,806	-	-
Asset Backed Securities	813,454	813,454	-	-
Corporate Bonds	5,249,531	5,249,531	-	-
Total investments	6,160,255	6,160,255	-	-
Beneficial Interests in Perpetual Trusts	775,045	-	-	775,045
	\$ 6,935,300	\$ 6,160,255	\$ -	\$ 775,045

Fair values for investments are determined by reference to quoted market prices generated by market transactions. The beneficial interests in perpetual trusts are valued using other relevant information.

Following is a reconciliation of activity for assets measured at fair value based on significant unobservable (Level 3) information:

	2020	2019
<b>Balance, beginning of year</b>	<b>\$ 775,045</b>	\$ 669,692
Net unrealized gain on perpetual trusts	<b>52,086</b>	105,353
<b>Balance, end of year</b>	<b>\$ 827,131</b>	\$ 775,045

# THE YMCA OF GREATER GRAND RAPIDS

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2020 and 2019

### NOTE 4 - PLEDGES RECEIVABLE

Unconditional pledges receivable are summarized as follows at December 31:

	<u>2020</u>	<u>2019</u>
Receivable in less than one year	\$ 414,416	\$ 748,742
Receivable in one to five years	61,733	100,000
Less allowance for doubtful pledges	<u>(235,814)</u>	<u>(113,739)</u>
<b>Net Unconditional Pledges Receivable</b>	<b><u>\$ 240,335</u></b>	<b><u>\$ 735,003</u></b>

Pledges from the three largest donors comprise approximately 55% and 51% of gross pledges receivable at December 31, 2020 and 2019.

### NOTE 5 - PROPERTY AND EQUIPMENT

Major classes of property and equipment at December 31 consist of the following:

	<u>2020</u>	<u>2019</u>
Land and land improvements	\$ 10,995,587	\$ 10,995,587
Buildings and leasehold improvements	80,711,986	80,613,368
Equipment	13,752,951	13,583,380
Artwork	194,801	154,600
Construction in progress	<u>1,159,543</u>	<u>1,115,164</u>
<b>Total Property and Equipment</b>	<b>106,814,868</b>	<b>106,462,099</b>
Less accumulated depreciation	<u>(36,211,578)</u>	<u>(32,993,526)</u>
<b>Net Property and Equipment</b>	<b><u>\$ 70,603,290</u></b>	<b><u>\$ 73,468,573</u></b>

Construction in progress relates to the expansion of a YMCA branch that is ongoing as of December 31, 2020.

# THE YMCA OF GREATER GRAND RAPIDS

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2020 and 2019

### NOTE 6 - LINE OF CREDIT

The YMCA has an unsecured \$750,000 revolving credit note available to be drawn upon as needed for working capital, machinery and equipment and construction. Borrowings bear interest at a margin over LIBOR, with a minimum of 3.5% interest stated in the agreement (applicable interest rate of 3.5% at December 31, 2020). This note matures on August 1, 2021.

### NOTE 7 - BONDS PAYABLE

Bond obligations were issued through the Michigan Strategic Fund administered through a Master Trustee. The bonds were sold as multi-modal limited obligation revenue and revenue refunding bonds were purchased by two sophisticated investors. The bonds bear interest at variable rates and are secured by their respective pro-rata interests in a Master Indenture, which is secured by a mortgage on a majority of real property, personal property, and capital campaign pledge receivables. Principal and interest is payable in monthly installments throughout the life of the bonds. Due to disruptions associated with the COVID-19 pandemic, principal payments during a portion of 2020, as well as those scheduled for 2021 were deferred. Principal payments are scheduled to resume early 2022.

Bonds payable at December 31 consist of the following:

	<u>2020</u>	<u>2019</u>
\$25,000,000- 2016 multi-modal limited obligation revenue and revenue refunding bond issued with a variable interest rate margined upon a product of LIBOR (effective rate of 1.27% as December 31, 2020), due in monthly installments ranging from \$73,500 to \$132,012 through 2026	\$ 22,315,500	\$ 22,738,500
\$9,225,000- 2016 multi-modal limited obligation revenue and revenue refunding bond issued with a variable interest rate margined upon a product of LIBOR (effective rate of 1.43% at December 31, 2020), due in monthly installments ranging from \$27,000 to \$48,375 through 2026	8,244,000	8,399,000
\$8,828,500 - 2018 multi-modal limited obligation revenue and revenue refunding bond issued with a variable interest rate margined upon a product of LIBOR (effective rate of 1.43% at December 31, 2020), due in monthly installments ranging from \$27,000 to \$48,375 through 2026	8,181,500	8,336,500
	<u>38,741,000</u>	39,474,000
Less: Unamortized financing fees	<u>(583,161)</u>	<u>(654,616)</u>
	<u>\$ 38,157,839</u>	<u>\$ 38,819,384</u>

# THE YMCA OF GREATER GRAND RAPIDS

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2020 and 2019

Future maturities of bonds payable are as follows:

Years ending December 31:

2021	\$ -
2022	2,103,596
2023	2,414,144
2024	2,473,644
2025	2,028,117
Thereafter	<u>29,721,499</u>
	<u><b>\$ 38,741,000</b></u>

To hedge against interest rate risk of changes in variable interest rates, the YMCA entered into three interest rate swap contracts (the Swaps) with the bank. The Swaps have declining notional values matching the outstanding bond principal over time. The YMCA pays interest on the notional values at a synthetic fixed rate on the outstanding bond balance and receives interest on the notional values at the interest rates discussed above. The effect of the Swaps is to convert the variable interest rate bonds to fixed-rate debt.

The carrying amount of the interest rate swap contracts are measured at fair value on a recurring basis and are considered Level 2 in the fair value hierarchy. The settlement amounts are estimated as the present value of expected future cash flows discounted at the rate in the swap contract. The YMCA believes the settlement amounts are the best representation of the fair value of the swap and has adjusted the carrying amount to the settlement amounts at December 31, 2020. During 2020 and 2019, the fair value of the liability under the Swaps increased by \$1,664,257 and \$1,824,272, respectively, which has been reflected in the accompanying statements of activities. At December 31, 2020 and 2019, the fair value of the obligations under the interest rate swaps was \$3,634,794 and \$1,970,537, respectively.

The bond provisions contain covenants pertaining to the maintenance of liquidity, debt to fund balance (net asset) ratios, and cash flow coverage ratios. The debt service coverage ratio covenant was deferred until December 31, 2021.

# THE YMCA OF GREATER GRAND RAPIDS

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2020 and 2019

### NOTE 8 - CAPITAL LEASE OBLIGATIONS

The YMCA financed equipment under capital lease obligations with financing institutions. The equipment has been capitalized at \$637,496 and accumulated depreciation was \$279,134 and \$158,696 at December 31, 2020 and 2019, respectively. The leases require total monthly payments of \$11,666, with interest rates ranging from 3.48% to 12.10% expiring at various dates through January 2023.

Minimum future payments are as follows:

Years ending December 31:

2021	\$ 126,492
2022	78,936
2023	<u>2,317</u>
	<b>207,745</b>
Less amount representing interest	<u>(9,838)</u>
<b>Present Value of Minimum Lease Payments</b>	<b><u>\$ 197,907</u></b>

### NOTE 9 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes at December 31:

	<u>2020</u>	<u>2019</u>
Capital expenditures for property and equipment	\$ 1,304,174	\$ 922,813
Support of specific program operations	1,040,824	1,197,617
Funds to be maintained permanently	457,974	452,671
Beneficial interest in perpetual trusts	<u>827,131</u>	<u>775,045</u>
	<b><u>\$ 3,630,103</u></b>	<b><u>\$ 3,348,146</u></b>

The YMCA released from restrictions \$958,611 for program operations and \$7,885 for capital projects during 2020 and \$1,153,182 for program operations during 2019.



# THE YMCA OF GREATER GRAND RAPIDS

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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December 31, 2020 and 2019

### **NOTE 10 - BOARD DESIGNATED NET ASSETS**

The YMCA has approximately \$5,737,000 and \$5,633,000 board designated for capital improvements at December 31, 2020 and 2019. Annually, the board may designate a portion of operating surplus to add to the capital improvement fund. The board approves withdraws from this fund for capital acquisitions and improvements. In addition, this fund is subject to a board approved investment policy and is invested on a long-term basis. The investment policy objective sets an annual 3% spending rate of the trailing twelve quarter average of the market values of its assets. This 3% spending rate is designated to support the operations of the YMCA.

### **NOTE 11 - BENEFICIAL INTERESTS IN PERPETUAL TRUSTS**

The YMCA is the income beneficiary of several third party perpetual trusts administered by a bank. The aggregate market values of the trusts were \$2,175,240 and \$2,049,907 at December 31, 2020 and 2019, respectively. The YMCA's participation in the income of each trust ranges from 20% to 50%. The trusts are being maintained in perpetuity, so the assets will not be distributed to the YMCA. The YMCA will receive a perpetual cash flow of income from these trusts. The value of the beneficial interests in perpetual trusts is measured as the YMCA's share of the fair value of underlying assets. Distributions received from trusts are recorded as unrestricted investment income. Adjustments in the values of the beneficial interests are recorded as changes in permanently restricted net assets in the statement of activities.

### **NOTE 12 - FUNCTIONAL EXPENSES**

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include Community Engagement, Corporate Membership and Program and Business Service Center. The Corporate Membership and Program category includes expenses such as salaries and benefits, national council support and general insurance. These expenses are allocated based on taking total program expense by category (Aquatic, Camping, Child Care, Physical Fitness & Wellness, Sports and Recreation) and dividing it by total program expense for the location. This percentage by category is then applied against the allocated expenses to spread the branch overhead expense to the programs. Management and general expenses include the following departments: Corporate, Marketing, Human Resources, Information Technology and Finance/Accounting. Fund Raising includes Financial Development. Selected Executive salaries and benefits are allocated to the fundraising category based on historical patterns which was 14% in 2020 and 2019.

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# THE YMCA OF GREATER GRAND RAPIDS

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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December 31, 2020 and 2019

### **NOTE 13 - RETIREMENT PLAN**

The YMCA participates in The YMCA Retirement Fund Retirement Plan (Plan), a defined contribution, money purchase retirement plan administered by the YMCA Retirement Fund (Fund). The Fund is a multi-employer plan that provides retirement benefits under Section 401(a) of the Internal Revenue Code (Code) to employees of Ys throughout the United States. The Plan covers substantially all full-time employees who attain age 21 and have two years of service with the YMCA. Contributions to the Plan by the YMCA were equal to 9% of employee compensation from January 2020 to June 2020, and 1% from July 2020 through December 2020. Contributions to the Plan by the YMCA were equal to 9% of employee compensation in 2019. Participants are fully vested in all Y contributions.

Retirement contributions totaled approximately \$313,000 and \$675,000 for the years ended December 31, 2020 and 2019, respectively. Additionally, the YMCA participates in The YMCA Retirement Fund Tax-Deferred Savings Plan which allows plan participants to make voluntary contributions on an after-tax or tax deferred basis under Section 403(b)(9) of the Code, subject to applicable Internal Revenue Service regulations.

### **NOTE 14 - RISKS AND UNCERTAINTIES**

#### **Investments, Including Beneficial Interests in Trusts**

The YMCA holds investment securities and beneficial interests in certain trusts. Such investments are exposed to various risks such as fluctuation in interest rate, the securities market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position.

#### **Risks Related to Impact of Health Epidemic**

During March 2020, a global pandemic was declared by the World Health Organization related to the rapidly growing outbreak of a novel strain of coronavirus (COVID-19). The pandemic has significantly impacted the economic conditions in the U.S and globally. While the disruption is currently expected to be temporary, there is uncertainty with respect to the duration. The YMCA has been impacted by Michigan's Executive Orders, and related statewide restrictions. Management anticipates continued disruptions in the YMCA's operations; however, given the uncertainty of the lasting effect of this outbreak, the financial impact to the YMCA cannot be determined.

# THE YMCA OF GREATER GRAND RAPIDS

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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December 31, 2020 and 2019

The operating loss suffered by the YMCA during 2020 is largely the result of the economic circumstances relating to the pandemic. Proceeds from the Payroll Protection Program will provide a certain level of relief in 2021, along with the anticipated receipt of the Employee Retention Credits. Certain philanthropic efforts are also anticipated to support cash flow. The YMCA is working diligently to continue to provide programs and services in a safe manner to members during the pandemic and intends to expand these programs as state restrictions allow.

### **Paycheck Protection Program Loan**

Subsequent to December 31, 2020, the YMCA secured a note payable with a bank and the U.S. Small Business Administration for \$3,602,115. The note was obtained pursuant to the Paycheck Protection Program (PPP) of the Coronavirus Aid, Relief, and Economic Security (CARES) Act and Economic Aid Act, with payment and maturity terms as defined in the Acts. Proceeds from the loan are to be used for qualifying expenses as defined under the Acts. Under the terms of the PPP, certain amounts of the loan may be forgiven if they are used for qualifying expenses. The YMCA intends to use the entire loan proceeds for qualifying expenses and apply for forgiveness under the terms of the PPP, CARES Act, and Economic Aid Act.

### **Other**

Subsequent to December 31, 2020, the YMCA secured a note payable from a foundation for \$1,000,000. Terms of the note provide for interest only payments (3%) through September 2022, followed by an amortization period that extends into 2028.

### **NOTE 15 - CONTINGENCIES AND COMMITMENTS**

The YMCA participates in federally funded programs. The programs are subject to the single audit requirements of the Uniform Guidance. The single audit of the federal programs for December 31, 2020 has been conducted and the required reports have been issued. However, the compliance audit reports have not yet been accepted by the grantors. The amount, if any, of expenditures that may be disallowed by the granting agencies cannot be determined at this time, although the YMCA expects such amounts, if any, to be immaterial. Accordingly, no provision has been made for any liabilities that may arise from these circumstances.

In the normal course of its activities, the YMCA may become party to various legal actions. The YMCA purchases commercial insurance to cover substantially all conceivable losses. Management of the YMCA is of the opinion that the outcomes of such actions will not have a material effect on the financial position of the YMCA and, therefore, has not included a reserve for such losses in the accompanying financial statements.

# THE YMCA OF GREATER GRAND RAPIDS

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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December 31, 2020 and 2019

The YMCA has entered into an operational software service agreement for five years with a third party vendor at approximately \$232,000 per year. This agreement ends in 2025.

The YMCA has entered into an accounting software service agreement for five years with a third party vendor at approximately \$23,000 per year. This agreement ends in 2025.

The YMCA has entered into a Human Resource Information System software service agreement for three years with a third party vendor at approximately \$159,000 per year. This agreement ends in 2022.