

**YOUNG WOMEN'S CHRISTIAN
ASSOCIATION OF GREATER MEMPHIS**
Memphis, Tennessee

Report on Audit of Financial Statements

For the Year Ended June 30, 2022
(With Summarized Comparative Information for the Year Ended June 30, 2021)

**YOUNG WOMEN'S CHRISTIAN
ASSOCIATION OF GREATER MEMPHIS**
Memphis, Tennessee

TABLE OF CONTENTS

	<u>PAGE</u>
INTRODUCTORY SECTION:	
Letter of Transmittal	
List of Management Officials and Board of Directors	
INDEPENDENT AUDITORS' REPORT.....	1 - 3
FINANCIAL STATEMENTS:	
Statements of Financial Position.....	4
Statements of Activities.....	5
Statements of Functional Expenses 2022 and 2021.....	6 - 7
Statements of Cash Flows.....	8
INDEX TO NOTES TO THE FINANCIAL STATEMENTS.....	9
NOTES TO THE FINANCIAL STATEMENTS.....	10 - 21
SUPPLEMENTAL INFORMATION:	
Schedule of Expenditures of Federal Awards and State Financial Assistance.....	22
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	23 - 24

February 28, 2023

Board of Directors
YWCA Greater Memphis
766 South Highland Street
Memphis, Tennessee

eliminating racism
empowering women

ywca

YWCA Greater Memphis

766 South Highland Street
Memphis, TN 38111

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Dear Board Members:

I am pleased to present the YWCA Greater Memphis report on audited financial statements for the year ending 06/30/2022. The audit consists of 4 sections: Introduction, Independent Auditor's Report, Financial Statements, and the Report on Internal Controls and Compliance. This introductory section consists of the transmittal letter and a list of the Board of Directors and management staff. The next section contains the independent auditor's report. The financial statements include the statements related to net position; revenues, expenses, and changes in net position; cash flows; and the related notes to the financial statements. The statutory reporting section includes the independent auditor's report on internal control over financial reporting and on compliance based on the audit of the financial statements.

The accuracy of the data and all audit disclosures are the responsibility of the YWCA Greater Memphis. To the best of our knowledge, information and belief, the enclosed information is accurate in all material respects and is reported in a manner designed to represent the financial position and operations of the YWCA Greater Memphis.

YWCA Greater Memphis is dedicated to eliminating racism, empowering women, and promoting peace, justice, freedom, and dignity for all. Founded in 1919, we help women build safety, stability and security for themselves and their families, through direct service, training, and education. This includes housing and support services for domestic violence survivors, financial education, housing assistance, employment support, and programs that support health and well-being. In addition, our mission includes eliminating barriers and promoting racial equality. We work every day to create a positive impact on individuals and our community.

I would like to thank Banks, Finley, White & Co., and Cannon & Company, for their support in preparing the fiscal year 2022 audit. The audit of the YWCA Greater Memphis seeks to ensure fiscal transparency and accountability for the Board of Directors and the public. These financial statements were created utilizing the highest professional standards to achieve that goal.

Cordially,



Marquiepta Odom
Executive Director
YWCA Greater Memphis

**YOUNG WOMEN'S CHRISTIAN
ASSOCIATION OF GREATER MEMPHIS**

MANAGEMENT OFFICIALS AND BOARD OF DIRECTORS
For the Year Ended June 30, 2022

MANAGEMENT OFFICIALS

Marquiepta Odom, Executive Director

BOARD OF DIRECTORS

Andrea Baird
Meghan Bridges
Marissa Hertzog
Arlender Jones
Pamela Williams Kelly, Esq.
Katherine King
Charita Travis
Erica Warren
Dr. Paula Young
Shericka Blair
Tanisha Holliday

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Young Women's Christian Association of Greater Memphis
Memphis, Tennessee

Opinion

We have audited the accompanying financial statements of Young Women's Christian Association of Greater Memphis ("YWCA") (a nonprofit organization), which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of YWCA as of June 30, 2022 and 2021, 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.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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 YWCA's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.



Auditor's Responsibilities for the Audit 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 auditor's 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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of YWCA'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 YWCA's ability to continue as a going concern for a reasonable period of time.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated February 27, 2023 on our consideration of the YWCA'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 solely 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 the effectiveness of the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with the Government Auditing Standards in considering the YWCA's internal control over financial reporting and compliance.



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

Banks July, with CO

Memphis, Tennessee
February 27, 2023

**YOUNG WOMEN'S CHRISTIAN
ASSOCIATION OF GREATER MEMPHIS**

Statement of Financial Position
As of June 30, 2022 and 2021

ASSETS

	2022	2021
CURRENT ASSETS:		
Cash and cash equivalents	\$ 51,448	\$ 94,020
Investments, at fair value	447,100	510,079
Grants receivable	216,268	173,396
Other accounts receivable, net	66,364	52,995
Prepaid expenses	882	-
Total Current Assets	782,062	830,490
FIXED ASSETS:		
Property and equipment, net	528,418	425,167
Property and equipment, net - with donor restrictions	964,784	987,722
Total Fixed Assets	1,493,202	1,412,889
TOTAL ASSETS	\$ 2,275,264	\$ 2,243,379

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:		
Accounts payable	\$ 54,845	\$ 36,098
Accrued expenses	18,260	8,056
PPP loan	-	148,816
Current portion of obligation under capital leases	-	8,104
Total Current Liabilities	73,105	201,074
LONG-TERM LIABILITIES:		
Obligation under capital leases	-	4,727
SBA EIDL	159,900	159,900
Total Long-Term Liabilities	159,900	164,627
TOTAL LIABILITIES	233,005	365,701
NET ASSETS:		
Without donor restrictions	1,077,475	889,956
With donor restrictions	964,784	987,722
Total Net Assets	2,042,259	1,877,678
TOTAL LIABILITIES AND NET ASSETS	\$ 2,275,264	\$ 2,243,379

See accompanying notes to the financial statements

**YOUNG WOMEN'S CHRISTIAN
ASSOCIATION OF GREATER MEMPHIS**

Statement of Activities
For the Years Ended June 30, 2022 and 2021

	Without donor restrictions	With donor restrictions	2022 Total	2021 Total
OPERATING SUPPORT AND REVENUES:				
Operating Support				
Grants and contracts	\$ 1,300,205	\$ -	\$ 1,300,205	\$ 1,178,482
Contributions	295,084	-	295,084	527,757
Special events	(2,518)	-	(2,518)	4,860
In-Kind contributions	720	-	720	3,066
Total Operating Support	<u>1,593,491</u>	<u>-</u>	<u>1,593,491</u>	<u>1,714,165</u>
Operating Revenue:				
Program and registration fee	234,027	-	234,027	31,373
Rental	103,538	-	103,538	92,580
Debt forgiveness	148,815	-	148,815	148,815
Investment income/(loss)	-	-	-	-
Other income	34,291	-	34,291	10,132
Net assets released from restrictions	-	-	-	-
Total Operating Revenue	<u>520,671</u>	<u>-</u>	<u>520,671</u>	<u>282,900</u>
Total Operating Support and Revenues	2,114,162	-	2,114,162	1,997,065
OPERATING EXPENSES:				
Child Care	250,416	-	250,416	51,910
Domestic Violence Services	843,030	22,938	865,968	920,386
Employment and Training	269,402	-	269,402	273,488
Administrative and General	500,317	-	500,317	387,956
Fundraising	500	-	500	3,575
Total Operating Expenses	<u>1,863,665</u>	<u>22,938</u>	<u>1,886,603</u>	<u>1,637,315</u>
CHANGE IN NET ASSETS FROM OPERATING ACTIVITIES	250,497	(22,938)	227,559	359,750
NON-OPERATING REVENUE (EXPENSES):				
Investment Income less management fees	<u>(62,979)</u>	<u>-</u>	<u>(62,979)</u>	<u>19,808</u>
CHANGE IN NET ASSETS FROM OPERATIONS	<u>187,518</u>	<u>(22,938)</u>	<u>164,580</u>	<u>379,558</u>
CHANGE IN NET ASSETS FROM NON-OPERATIONS	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,750</u>
NET ASSETS, BEGINNING OF YEAR	<u>889,957</u>	<u>987,722</u>	<u>1,877,679</u>	<u>1,457,370</u>
NET ASSETS, END OF YEAR	<u>\$ 1,077,475</u>	<u>\$ 964,784</u>	<u>\$ 2,042,259</u>	<u>\$ 1,877,678</u>

See accompanying notes to the financial statements

**YOUNG WOMEN'S CHRISTIAN
ASSOCIATION OF GREATER MEMPHIS**

Statement of Functional Expenses
For the Year Ended June 30, 2022

	Child Care	Domestic Violence Services	Employment and Training	Total Program Expenses	Administrative and General	Fundraising	Total Expenses
EXPENSES:							
Salaries and wages	\$ 198,165	\$ 515,603	\$ 134,389	\$ 848,157	\$ 170,822	\$ -	\$ 1,018,979
Fringe benefits	<u>18,521</u>	<u>66,794</u>	<u>16,738</u>	<u>102,053</u>	<u>12,667</u>	<u>-</u>	<u>114,720</u>
Total personnel expenses	216,686	582,397	151,127	950,210	183,489	-	1,133,699
Depreciation and amortization	-	-	-	-	76,462	-	76,462
Direct client assistance	-	-	-	-	-	-	-
Dues and subscriptions	900	353	10,428	11,681	18,488	-	30,169
Meetings and receptions	-	-	\$ -	\$ -	\$ 360	\$ -	\$ 360
Special activities and events	1,200	1,542	725	3,467	2,636	-	6,103
Insurance	7,356	34,608	7,456	49,420	13,487	-	62,907
Minor equipment	1,202	8,072	4,746	14,020	12,884	-	26,904
Miscellaneous	(653)	1,916	-	1,263	47,362	500	49,125
Postage	-	-	-	-	4,360	-	4,360
Interest	5	-	-	5	-	-	5
Professional services	6,920	49,395	29,856	86,171	58,185	-	144,356
Public relations	90	-	-	90	7,687	-	7,777
Advertising	-	-	-	-	-	-	-
Repairs and maintenance	77	64,734	32,780	97,591	16,888	-	114,479
Rent	-	12,481	7,825	20,306	7,720	-	28,026
Supplies/food	16,467	45,467	29	61,963	7,401	-	69,364
Telephone	-	11,801	8,523	20,324	17,432	-	37,756
Training	-	1,087	-	1,087	149	-	1,236
Travel	166	2,707	45	2,918	5,393	-	8,311
Investment fees	-	-	-	-	-	-	-
Utilities	<u>-</u>	<u>49,408</u>	<u>15,862</u>	<u>65,270</u>	<u>19,934</u>	<u>-</u>	<u>85,204</u>
TOTAL	<u>33,730</u>	<u>283,571</u>	<u>118,275</u>	<u>435,576</u>	<u>316,828</u>	<u>500</u>	<u>752,904</u>
TOTAL EXPENSES	<u>\$ 250,416</u>	<u>\$ 865,968</u>	<u>\$ 269,402</u>	<u>\$ 1,385,786</u>	<u>\$ 500,317</u>	<u>\$ 500</u>	<u>\$ 1,886,603</u>

See accompanying notes to the financial statements

**YOUNG WOMEN'S CHRISTIAN
ASSOCIATION OF GREATER MEMPHIS**

Statement of Functional Expenses
For the Year Ended June 30, 2021

	Child Care	Domestic Violence Services	Employment and Training	Total Program Expenses	Administrative and General	Fundraising	Total Expenses
EXPENSES:							
Salaries and wages	\$ 33,738	\$ 557,057	\$ 169,527	\$ 760,322	\$ 110,727	\$ -	\$ 871,049
Fringe benefits	<u>4,297</u>	<u>48,586</u>	<u>11,072</u>	<u>63,955</u>	<u>54,695</u>	<u>-</u>	<u>118,650</u>
Total personnel expenses	38,035	605,643	180,599	824,277	165,422	-	989,699
Depreciation and amortization	-	-	-	-	71,633	-	71,633
Direct client assistance	-	25,807	-	25,807	-	-	25,807
Dues and subscriptions	501	125	1,070	1,696	12,376	-	14,072
Insurance	2,805	22,881	3,105	28,791	11,501	-	40,292
Meetings and receptions	-	-	-	-	514	-	514
Special activities and events	-	-	-	-	-	3,575	3,575
Minor equipment	534	26,100	6,864	33,498	17,779	-	51,277
Miscellaneous	3	32	4	39	1,982	-	2,021
Postage	-	-	-	-	5,055	-	5,055
Printing	-	-	-	-	-	-	-
Professional services	6,348	40,140	14,284	60,772	32,129	-	92,901
Advertising	83	554	83	720	1,960	-	2,680
Repairs and maintenance	-	105,932	22,823	128,755	26,501	-	155,256
Rent	-	3,995	14,018	18,013	4,928	-	22,941
Supplies/food	631	37,945	-	38,576	13,013	-	51,589
Telephone	2,462	13,431	8,083	23,976	10,476	-	34,452
Training	-	-	-	-	45	-	45
Travel	508	50	-	558	100	-	658
Utilities	<u>-</u>	<u>37,751</u>	<u>22,555</u>	<u>60,306</u>	<u>12,542</u>	<u>-</u>	<u>72,848</u>
TOTAL	<u>13,875</u>	<u>314,743</u>	<u>92,889</u>	<u>421,507</u>	<u>222,534</u>	<u>3,575</u>	<u>647,616</u>
TOTAL EXPENSES	<u>\$ 51,910</u>	<u>\$ 920,386</u>	<u>\$ 273,488</u>	<u>\$ 1,245,784</u>	<u>\$ 387,956</u>	<u>\$ 3,575</u>	<u>\$ 1,637,315</u>

See accompanying notes to the financial statements

**YOUNG WOMEN'S CHRISTIAN
ASSOCIATION OF GREATER MEMPHIS**

Statement of Cash Flows
For the Years Ended June 30, 2022 and 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets	\$ 164,580	\$ 420,308
Adjustments to Reconcile the change in Net Assets to Net Cash and Cash Equivalents Used for Operating Activities:		
(Increase) decrease in:		
(Gain) loss on sale of assets	62,979	-
Accounts receivable	(56,240)	(55,899)
Prepaid expenses	(883)	18,589
Property and equipment	(80,313)	71,633
Increase (decrease) in:		
Accounts payable	18,747	(63,289)
Other accrued liabilities	10,205	6,300
Notes payable	(12,832)	(8,104)
Net Cash Provided/(Used) for Operating Activities	106,243	389,538
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments	-	(489,569)
Net Cash Provided/(Used) For Investing Activities	-	(489,569)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Additions/(subtractions) to notes payable	-	-
Additions/(subtractions) to capital lease	-	-
Net Cash Provided/(Used) for Financing Activities	-	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	106,243	(100,031)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	94,020	194,051
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 200,263	\$ 94,020

See accompanying notes to the financial statements

**YOUNG WOMEN'S CHRISTIAN
ASSOCIATION OF GREATER MEMPHIS**

Index to Notes to the Financial Statements
For the Year Ended June 30, 2022

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.....	10 - 13
NOTE 2 - BENEFICIAL INTEREST IN ASSETS HELD BY COMMUNITY FOUNDATION OF GREATER MEMPHIS.....	13
NOTE 3 - INVESTMENTS, AT FAIR VALUE.....	13 - 15
NOTE 4 - ACCOUNTS RECEIVABLE.....	16
NOTE 5 - PROPERTY AND EQUIPMENT, NET.....	17
NOTE 6 - NATURE AND AMOUNT OF RESTRICTED NET ASSETS.....	17
NOTE 7 - ENDOWMENT FUND.....	17 - 18
NOTE 8 - RETIREMENT PLAN.....	19
NOTE 9 - CONCENTRATION RISKS.....	19
NOTE 10 - COMMITMENTS.....	19 - 20
NOTE 11 - PPP LOAN.....	20
NOTE 12 - ANNUAL ASSOCIATION DUES.....	20
NOTE 13 - LIQUIDITY AND AVAILABILITY.....	21
NOTE 14 - SUBSEQUENT EVENTS.....	21

**YOUNG WOMEN'S CHRISTIAN
ASSOCIATION OF GREATER MEMPHIS**

Notes to the Financial Statements

For the Year Ended June 30, 2022

(With Summarized Comparative Information for the Year Ended June 30, 2021)

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Organization and Basis of Presentation

Young Women's Christian Association of Greater Memphis (YWCA), is a non-profit organization that strives to create opportunities for women's growth, leadership and power with an emphasis on meeting the critical, unmet needs of women, children and families. These efforts are funded by childcare services and the generosity of the public through donations and grants and support received from federal agencies and the community.

The YWCA's prepares its financial statements on the accrual basis of accounting to focus on the YWCA as a whole by presenting balances and transactions according to the existence or absence of donor-imposed restrictions. This has been accomplished by classification of balances and transactions into two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

Net assets without donor restrictions - Net assets available for use in general operations and not subject to donor restrictions. The governing board has designated, from net assets without donor restrictions, net assets for a board-designated endowment.

Net assets with donor restrictions - Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporarily 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. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expiration of net assets with donor restrictions (i.e., the donor-imposed stipulated purpose has been fulfilled or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

The YWCA is subject to the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"), which governs the State of Tennessee, the provisions of which apply to its endowment funds. Based on its interpretation of the provisions of UPMIFA, the YWCA is required to act prudently when making decisions to spend or accumulate donor-restricted endowment assets and in doing so to consider a number of factors including the duration and preservation of its donor-restricted endowment funds. Interest and dividend income from the endowment funds are recorded as income on net assets with or without restrictions depending on the donor stipulations.

Use of Estimates

Accounting principles generally accepted in the United States of America (U.S. GAAP) require 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 statement estimates are the allowance for doubtful accounts (see below) and the estimated fair value of investments (Note 3). Management believes that its estimates provided in the financial statements are reasonable. However, actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include all cash balances and highly liquid investments with an original maturity of three months or less.

Grants, Rent and Other Accounts Receivable, Net

Accounts receivable are stated at face value, less an allowance for doubtful accounts. The contractual terms of each account determines its past due status. After exhausting all collection efforts, accounts deemed uncollectible are then charged-off.

Property and Equipment, Net

Property and equipment purchased by the YWCA are recorded at cost, less accumulated depreciation and amortization. The YWCA capitalizes expenditures for property and equipment in excess of \$500. Donated equipment is recorded at its estimated fair value at the date of donation. Depreciation and amortization of property and equipment is provided on a straight-line basis over the estimated useful lives of the assets. Upon disposal of property and equipment, the cost and accumulated depreciation or amortization are removed from the related accounts and any gain or loss is reflected in the statement of activities. Maintenance, repairs, and renewals that neither materially add to the value of the property and equipment nor appreciably prolong its life are charged to expense as incurred.

The YWCA reviews its long-lived assets, including property and equipment, for impairment whenever events or circumstances indicate that the carrying amount of an asset may not be recoverable. Pursuant to U.S. GAAP, impairment is determined by comparing the carrying value of these long-lived assets to management's best estimate of the weighted average future undiscounted cash flows expected to result from the use of the assets and their eventual disposition. In the event of impairment exists, a loss is recognized based on the amount by which the carrying value exceeds the fair value of the asset. No impairment has been recognized in the accompanying statement of activities.

Selected assets purchased through federal programs are not the assets of the YWCA and upon termination of the program may be claimed by the grantor. Various grant contracts further state that should the YWCA want to dispose of an asset purchased with such funds, the YWCA shall request written approval from the grantor.

Investments

Investments with readily determinable fair values are reported at their fair values in the statement of financial position. Net realized and unrealized gains and losses are included in the statement of activities. Investment income and gains (losses) restricted by a donor are reported as increases (decreases) in net assets without restrictions if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

Income Recognition and Investment Valuation

Dividend income is recorded on the ex-dividend date. Income from investments is recorded as earned on an accrual basis.

Purchase and sales of securities are recorded on a settlement date basis. Gain or loss on sales of securities is based upon specific identification.

Volunteers

The value of the time contributed by volunteers, except for the Domestic Violence Services, is not reflected in the financial statements since it does not meet requirements for recognition under U.S. GAAP.

Compensated Absences

Compensated absences are not reflected in the financial statements because the obligation relates to rights that do not vest or accumulate and the amount cannot be reasonably estimated.

Income Taxes

The Internal Revenue Service (IRS) has classified the YWCA as other than a private foundation which is exempt from federal income taxes on related business income and federal unemployment taxes under Section 501(c)(3) of the United States Internal Revenue Code. The YWCA is similarly exempt from Tennessee taxes on its related exempt income under provisions of the Tennessee Tax Code. Consequently, no federal or state income taxes have been provided in these statements.

In accordance with U.S. GAAP, if applicable, the YWCA recognizes interest expense and penalties related to uncertain tax positions as interest expense and penalties in expenses. No amounts have been recognized in expenses for the year ended June 30, 2022. The YWCA is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on the statements of activities. Accordingly, certain cost have been allocated among the program and support services benefited.

Advertising Expense

YWCA expenses the cost of advertising as the expense is incurred. For the years ended June 30, 2022 and 2021, the cost totaled \$7,777 and \$2,680, respectively.

NOTE 2 - BENEFICIAL INTEREST IN ASSETS HELD BY COMMUNITY FOUNDATION OF GREATER MEMPHIS:

The YWCA has a beneficial interest in certain funds, which are held by the Community Foundation of Greater Memphis ("CFGM"). These investments are governed by an agreement between the YWCA and CFGM. The YWCA may, at any time, without premium or penalty, request that all or part of the unrestricted assets constituting the fund be granted to the YWCA.

NOTE 3 - INVESTMENTS, AT FAIR VALUE:

U.S. GAAP defines fair value and establishes a framework for measuring fair value. Fair value measurements apply to financial assets and liabilities, as well as non-financial assets and liabilities which are re-measured at least annually.

U.S. GAAP establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable market data, when available, and minimizes the use of unobservable inputs when determining fair value. Observable inputs reflect assumptions market participants would use in pricing an asset or liability based on market data obtained from independent sources. Unobservable inputs reflect the YWCA's assumptions about the assumption market participants would use in pricing an asset or liability based on the best information available in the circumstances.

The YWCA groups its assets and liabilities measured at fair value in three levels based on the reliability of valuation inputs used to determine fair value. The proper level of fair value measurement is determined based on the lowest level of significant input. The levels are as follows:

- ◆ Level 1 valuations are based on quoted prices in active markets for identical assets or liabilities.
- ◆ Level 2 valuations are based on inputs other than quoted prices included in Level 1 that are observable for assets or liabilities, either directly. These inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active (i.e. markets in which there are few transactions for the assets or liabilities, the prices are not current, or price quotes vary substantially either over time or among market makers), and modeling techniques based on inputs that are observable for the assets or liabilities.
- ◆ Level 3 valuations are based on modeling techniques using significant assumptions that are not observable in the market. The assumptions reflect the YWCA's own assumptions that market participants would use in pricing the assets and liabilities.

The availability of observable inputs varies from product to product and is affected by a variety of factors, including the type of product, whether the product is new and not yet established in the marketplace, and other characteristics particular to the transaction. To the extent valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised by the YWCA in determining fair value is greatest for instruments categorized in Level 3.

The fair value of the pooled funds below as of June 30, 2022, was estimated by CFGM based primarily on the fair market value of the underlying investments. Because the fair value is based on unobservable inputs, the account is classified within Level 3 valuation hierarchy. Disclosure of unobservable inputs to fair value measurement has not been included for the pooled investments because quantitative unobservable inputs are not developed by the YWCA when measuring fair value and have not been made available to the YWCA by CFGM.

Financial assets measured at fair value on a recurring basis include the following:

CFGM money market pool: Invested in money market funds.

CFGM balanced pool: Invested in equities, fixed income securities, cash equivalents, alternative investments and real assets.

CFGM fixed income pool: Invested in intermediate term bond funds which primarily include high grade corporate bonds, U.S. Government, and U.S. Government Agency bonds.

Information pertaining to investments measured at fair value on a recurring basis aggregated by valuation input level follows:

Assets at Fair Value as of June 30, 2022				
	Level 1	Level 2	Level 3	Total
CFGM money market pool	\$ -	\$ -	\$ 1,699	\$ 1,699
CFGM balanced pool	-	-	-	-
CFGM fixed income pool	-	-	445,401	445,401
Total	\$ -	\$ -	\$ 447,100	\$ 447,100

Assets at Fair Value as of June 30, 2021				
	Level 1	Level 2	Level 3	Total
CFGM money market pool	\$ -	\$ -	\$ 1,699	\$ 1,699
CFGM balanced pool	-	-	-	-
CFGM fixed income pool	-	-	508,390	508,390
Total	\$ -	\$ -	\$ 510,089	\$ 510,089

Change in Fair Value Levels

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

The following details the activity for the years ended June 30, 2022 and 2021 for financial instruments valued by the YWCA using the Level 3 of the valuation hierarchy for assets measured at fair value on a recurring basis. When a determination is made to classify a financial instrument as Level 3 of the valuation hierarchy, the determination is based upon the significance of the observable factors to the overall fair value measurement. However, since Level 3 financial instruments typically include, in addition to the unobservable or Level 3 components, observable

components (that is, components that are actively quoted and can be validated to external sources), the gains and losses in the table below include changes in fair value due in part to observable factors that are part of the valuation methodology.

Fair value at June 30, 2021	\$	510,079
Realized gain/(loss)		18,684
Unrealized gain/(loss)		(85,253)
Reinvested interest and dividends		7,909
Purchases		-
Investment fees		(4,319)
Fair value at June 30, 2022	\$	<u>447,100</u>
Fair value at June 30, 2020	\$	20,510
Realized gain/(loss)		2,859
Unrealized gain/(loss)		13,753
Reinvested interest and dividends		3,196
Purchases		470,745
Investment fees		(984)
Fair value at 2021	\$	<u>510,079</u>

NOTE 4 - ACCOUNTS RECEIVABLE:

Accounts receivable consist of the following items as of June 30, 2022:

Grants	\$	216,268
Other		66,364
New Glory		<u>40,050</u>
		322,682
Allowance for Doubtful Accounts - New Glory		(40,050)
Total	\$	<u>282,632</u>

Accounts receivable consist of the following items as of June 30, 2021:

Grants	\$	173,396
Other donations		52,995
New Glory		<u>53,900</u>
		280,291
Allowance for Doubtful Accounts - New Glory		(53,900)
Total	\$	<u>226,391</u>

During 2017, the YWCA wrote-off rent receivable from New Glory. The YWCA and New Glory have since reached a payment arrangement on the past due amount. The YWCA put the receivable for the past due rent back on the books with a full allowance for doubtful accounts against the receivable. As payment is received on the past due portion, the allowance is reduced by the amount of payment received and is put back into income.

NOTE 5 - PROPERTY AND EQUIPMENT, NET:

Property and equipment at June 30, 2022, is summarized as follows:

Land	\$	184,515
Building and building improvement		3,072,139
Furniture and equipment		774,251
Vehicles		<u>100,135</u>
		4,131,040
Accumulated depreciation and amortization		<u>(2,637,837)</u>
Total property and equipment, net	\$	<u><u>1,493,203</u></u>

Property and equipment at June 30, 2021, is summarized as follows:

Land	\$	184,515
Building and building improvement		2,919,939
Furniture and equipment		769,676
Vehicles		<u>100,135</u>
		3,974,265
Accumulated depreciation and amortization		<u>(2,561,376)</u>
Total property and equipment, net	\$	<u><u>1,412,889</u></u>

Depreciation and amortization expense totaled \$76,462 and \$71,633 for the years ended June 30, 2022 and 2021, respectively.

NOTE 6 - NATURE AND AMOUNT OF RESTRICTED NET ASSETS:

Net assets with donor restrictions include land received from the City of Memphis valued at \$15,700 on which one of the YWCA's current facilities is located. The City placed a restriction on the property that the land must always be used for low-income housing by the YWCA or any subsequent owner and as such is included in net assets with donor restrictions.

Net assets with donor restrictions at June 30, 2022 and 2021 consisted of \$949,084 and \$972,022, respectively, representing property that was restricted for housing of low-income families. Assets released from restrictions of \$22,938 and \$21,489 relates to depreciation expense on the property during the years ended June 30, 2022 and 2021, respectively.

NOTE 7 - ENDOWMENT FUND:

The YWCA Endowment Fund was established in October 1992. Withdrawal of principal from the fund must be approved by a three-fourth (75%) majority vote of the Board of Directors. Earning from the fund may be withdrawn at the discretion of the Executive Director. The investment committee of the Board of Directors determines how the funds are to be invested. The fund is included in beneficial interest assets held by CFGM (Note 2).

Return Objectives and Risk Parameters

The YWCA has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner which is conservative in nature. There is not a set average rate of return, but instead the YWCA monitors the investments monthly.

Strategies Employed for Achieving Objectives

To satisfy the long-term rate-of-return objectives, the YWCA relies on a total strategy in which investment objectives are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The YWCA targets a diversified asset allocation in order to achieve the long-term objectives within prudent risk constraints.

Disbursement Information and Investment Objectives

The Board of Directors considers the long-term expected return and purchasing power of the endowment, but the primary focus is on meeting the operational needs of the YWCA. Additional growth to the endowment can be provided by new gifts.

Endowment Net Asset Composition by Type of Fund as of June 30, 2022.

	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	\$ <u>445,401</u>	\$ <u>-</u>	\$ <u>445,401</u>

Endowment Net Asset Composition by Type of Fund as of June 30, 2021.

	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	\$ <u>508,380</u>	\$ <u>-</u>	\$ <u>508,380</u>

Changes in Endowment Net Assets for the Year Ended June 30, 2022.

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 508,380	\$ -	\$ 508,380
Investment return: Net appreciation (realized and unrealized)	<u>(62,979)</u>	<u>-</u>	<u>(62,979)</u>
Endowment net assets, end of year	\$ <u>445,401</u>	\$ <u>-</u>	\$ <u>445,401</u>

Changes in Endowment Net Assets for the Year Ended 2021.

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ -	\$ -	\$ -
Investment return:			
Purchases	<u>508,380</u>	<u>-</u>	<u>508,380</u>
Endowment net assets, end of year	<u>\$ 508,380</u>	<u>\$ -</u>	<u>\$ 508,380</u>

NOTE 8 - RETIREMENT PLAN:

The YWCA has a defined contribution retirement plan covering all employees who have completed 2,000 hours and 24 months of service. An employee becomes a participant at the first effective plan entrance date after the date of hire. Employees may contribute up to 15% of their annual salary to the plan, up to the amount established by the IRS. The YWCA National Retirement Fund administers the plan. During the years ended June 30, 2022 and 2021, YWCA contributed \$27,133 and \$12,388 (3% of each employee's salary) to the plan.

NOTE 9 - CONCENTRATION RISKS:

The YWCA maintains only one bank account. This account is insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. As of June 30, 2022 and 2021, there were no amounts held at the bank that were in excess of the insured amount. The YWCA has not experienced any losses and management believes the organization is not exposed to significant credit risk to cash.

NOTE 10 - COMMITMENTS:

The YWCA leases certain sites and office equipment and pays certain operating expenses under operating leases and capital leases. Lease expense for the year ended June 30, 2022 was \$28,026.

Future minimum operating lease payments under these agreements are as follows:

2023	\$ 13,387
2024	11,253
2025	11,253
2026	669
2027	-
Thereafter	-
Total	<u>\$ 36,562</u>

The YWCA entered into a capital lease arrangement with Marlin Business Bank on January 31, 2018 for a new HVAC for one of YWCA's buildings located at 1044 Mississippi Blvd., Memphis, Tennessee 38126. YWCA will pay Marlin Business Bank a lease payment of approximately \$675 per month from January 31, 2018 until January 31, 2023.

Future minimum capital lease payments under these agreements are as follows:

2023	\$	4,727
2024		-
2025		-
2026		-
2027		-
Thereafter		-
Total	\$	<u>4,727</u>

NOTE 11 - PPP LOAN:

YWCA received loan proceeds in the amount of \$148,815 pursuant to the Paycheck Protection Program ("PPP") and Small Business Administration Economic Injury Disaster Loan ("SBA EIDL") under the CARES Act enacted March 27, 2021. The loan and accrued interest are forgivable as long as the Organization uses the loan proceeds for eligible purposes within a specified timeframe, including payroll, benefits, rent, utilities, and maintains its payroll levels. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the specified timeframe. As of June 30, 2022, the loan has been forgiven.

NOTE 12 - DEBT:

The Organization also received loan proceeds in the amount of \$159,900 pursuant to the U.S. Small Business ("SBA") under the Small Business Act on June 7, 2020.

At June 30, 2022, debt consisted of the following:

SBA note payable at 2.75% interest. Due in monthly installments of \$641 including principal and interest with the first payment due June 7, 2021. The maturity date is June 7, 2050.	\$	<u>159,900</u>
	\$	<u>159,900</u>

NOTE 13 - ANNUAL ASSOCIATION DUES:

Annual association dues are the amount each YWCA member pays for belonging to the YWCA of the Southeast Region, Inc. Annual dues are estimated based on a percentage of expenses in the most recently audited financial statements. Actual expenditures may vary from the current estimate. The amount included in dues expense was approximately \$11,448 for the year ended June 30, 2022.

NOTE 14 - LIQUIDITY AND AVAILABILITY:

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position, is as follows:

	<u>2022</u>
Current unrestricted financial assets at year-end	
Cash and cash equivalents	\$ 51,448
Grants receivable	216,268
Other accounts receivable, net	66,364
Prepaid expenses	882
	<u>\$ 334,962</u>
	<u>2021</u>
Current unrestricted financial assets at year-end	
Cash and cash equivalents	\$ 94,020
Grants receivable	173,396
Other accounts receivable, net	52,995
Prepaid expenses	-
	<u>\$ 320,411</u>

NOTE 15 - SUBSEQUENT EVENTS:

The Organization has evaluated subsequent events occurring after the consolidated statement of financial position date through the date of February 27, 2023, the date the consolidated financial statements were available for release. Based upon this evaluation, the Organization has determined that there are no subsequent events that have occurred which require adjustment to or disclosure in the consolidated financial statements.

SUPPLEMENTAL INFORMATION

**YOUNG WOMEN’S CHRISTIAN
ASSOCIATION OF GREATER MEMPHIS**
Schedule of Expenditures of Federal Awards and State Financial Assistance
For the Year Ended June 30, 2022

Federal Grantor/ Pass-Through Grantor	Program/Cluster Name	Federal CFDA Number	Contract Number	Pass-Through to Subrecipient	Expenditures
<u>Federal Awards</u>					
Direct funding:					
Department of Justice	Victims of Crime Act	16.575		\$ -	\$ 50,600
Department of Justice	Stop Violence Against Women Grant Program	16.588		-	<u>87,855</u>
Pass-Through Funding:					
U.S Department of Agriculture through Tennessee Department of Human Services	Child and Adult Care Food Program	10.558		-	<u>21,967</u>
TOTAL FEDERAL AWARDS				-	160,422
<u>State Financial Assistance</u>					
State of Tennessee, Dept of Finance	State (FVS, DV)	N/A		-	<u>85,099</u>
TOTAL STATE FINANCIAL ASSISTANCE				-	<u>85,099</u>
TOTAL FEDERAL & STATE FINANCIAL ASSISTANCE				\$ -	<u>\$ 245,521</u>

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Directors
Young Women's Christian Association of Greater Memphis
Memphis, Tennessee

We have audited, in accordance with the 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, the financial statements of Young Women's Christian Association of Greater Memphis ("YWCA"), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 27, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the YWCA's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the YWCA's internal control. Accordingly, we do not express an opinion on the effectiveness of the YWCA's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Board's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have been not been identified.



Compliance and Other Matters

As part of obtaining reasonable assurance about whether the YWCA's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the YWCA's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the YWCA's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink, which appears to read "Banker, Ailey" followed by a stylized flourish.

Memphis, Tennessee
February 27, 2023