

# YWCA Clinton, Iowa

Financial Statements

Years Ended September 30, 2022 and 2021

**eliminating racism  
empowering women**  
**ywca**



# YWCA Clinton

Years Ended September 30, 2022 and 2021

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## **Independent Auditor's Report**

Board of Directors  
YWCA Clinton  
Clinton, IA

### ***Opinion***

We have audited the accompanying financial statements of YWCA Clinton (the "Organization"), a nonprofit organization, which comprise the statement of financial position as of September 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of YWCA Clinton as of September 30, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America ("GAAP").

### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). 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 Clinton 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.

### ***Prior Period Financial Statements***

Other accountants performed a compilation engagement with respect to the September 30, 2021 financial statements, and on their report thereon, dated August 11, 2022, stated they did not audit or review those financial statements and, accordingly, express no opinion or other form of assurance on them.

### ***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 Clinton's ability to continue as a going concern for one year after the date 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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the 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 Clinton'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 Clinton's ability to continue as a going concern for a reasonable period of time.

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

### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of revenue and expenses by department for the year ended September 30, 2022, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The September 30, 2021 schedule of revenue and expenses by department was compiled by other auditors, whose report dated August 11, 2022, stated they did not audit or review the schedule of revenue and expenses by department and, accordingly, express no opinion or other form of assurance on schedule of revenue and expenses by department.

*Wipfli LLP*

Wipfli LLP

Madison, Wisconsin  
June 22, 2023

# YWCA Clinton

## Statement of Financial Position

<i>As of September 30, 2022 and 2021</i>	Audited 2022	Compiled 2021
<b>ASSETS</b>		
Current assets:		
Cash	\$ 815,812	\$ 361,469
Investments	523,412	689,063
Accounts receivable - Net	18,359	51,150
Grants receivable	166,837	167,241
Prepaid expenses and other	225	7,651
Promises to give	4,558	385
Total current assets	1,529,203	1,276,959
Property and equipment, net	1,343,023	1,412,018
<b>TOTAL ASSETS</b>	<b>\$ 2,872,226</b>	<b>\$ 2,688,977</b>
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities:		
Accounts payable	\$ 55,509	\$ 50,788
Deferred revenue	39,444	36,117
Accrued liabilities	92,185	93,994
Security deposits	508	475
Current maturities of long-term debt	56,881	42,788
Current maturities of capital leases	14,467	13,646
Total current liabilities	258,994	237,808
Long-term liabilities:		
Long-term debt	145,595	199,147
Obligations under capital leases	17,984	32,451
Total long-term liabilities	163,579	231,598
Total liabilities	422,573	469,406
Net assets:		
Without donor restrictions:		
Undesignated	2,174,144	1,944,062
Total net assets without donor restrictions	2,174,144	1,944,062
Net assets with donor restrictions	275,509	275,509
Total net assets	2,449,653	\$ 2,219,571
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 2,872,226</b>	<b>\$ 2,688,977</b>

See accompanying notes to financial statements.

# YWCA Clinton

## Statement of Activities

<i>Years Ended September 30, 2022 and 2021</i>	Audited 2022			Compiled 2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
	<b>Support and revenue:</b>					
Contributions	\$ 209,768	\$ -	\$ 209,768	\$ 134,037	\$ -	\$ 134,037
Contributions - Restricted	-	100	100	-	55,477	55,477
Contributed nonfinancial assets	19,517	-	19,517	-	-	-
United Way	-	-	-	38,750	-	38,750
Activities and fees revenue	949,250	-	949,250	1,068,003	-	1,068,003
Investment income	16,887	6,209	23,096	13,159	-	13,159
Realized gains (losses) on investments	74,048	-	74,048	14,133	-	14,133
Net unrealized gains (losses) on investments	(202,509)	-	(202,509)	74,811	-	74,811
PPP loan forgiveness	-	-	-	-	563,205	563,205
ERTC FICA Tax Credit	362,618	-	362,618	-	-	-
Governmental grants	-	1,452,063	1,452,063	-	964,318	964,318
Miscellaneous income	89,053	-	89,053	80,384	-	80,384
Net Assets released from restriction:	1,458,372	(1,458,372)	-	1,522,976	(1,522,976)	-
<b>Total support and revenue</b>	<b>2,977,004</b>	<b>-</b>	<b>2,977,004</b>	<b>2,946,253</b>	<b>60,024</b>	<b>3,006,277</b>
<b>Expenses:</b>						
Program services	2,186,271	-	2,186,271	2,058,190	-	2,058,190
Management and general	560,651	-	560,651	519,711	-	519,711
<b>Total expenses</b>	<b>2,746,922</b>	<b>-</b>	<b>2,746,922</b>	<b>2,577,901</b>	<b>-</b>	<b>2,577,901</b>
<b>Total support and revenue in excess of expenses</b>	<b>230,082</b>	<b>-</b>	<b>230,082</b>	<b>368,352</b>	<b>60,024</b>	<b>428,376</b>
Changes in net assets	230,082	-	230,082	368,352	60,024	428,376
Net assets, beginning of year	1,944,062	275,509	2,219,571	1,482,905	215,485	1,698,390
Restatement	-	-	-	92,805	-	92,805
<b>Net assets, beginning of year, as restated</b>	<b>1,944,062</b>	<b>275,509</b>	<b>2,219,571</b>	<b>1,575,710</b>	<b>215,485</b>	<b>1,791,195</b>
<b>Net assets, end of year</b>	<b>\$ 2,174,144</b>	<b>\$ 275,509</b>	<b>\$ 2,449,653</b>	<b>\$ 1,944,062</b>	<b>\$ 275,509</b>	<b>\$ 2,219,571</b>

See accompanying notes to financial statements.

# YWCA Clinton

## Statement of Functional Expenses

Years Ended September 30, 2022	Audited 2022					
	Childcare	Empowerment	Physical	Total Program Expenses	Management and General	Total Expenses
Payroll and payroll taxes	\$ 870,265	\$ 127,926	\$ 291,674	\$ 1,289,865	\$ 250,559	\$ 1,540,424
Employee benefits	18,316	498	2,703	21,517	4,836	26,353
Pension expense	11,513	3	3,055	14,571	4,166	18,737
Travel expenses	949	31	158	1,138	1,891	3,029
Professional fees	10,064	6,399	12,876	29,339	37,358	66,697
Office expenses	8,048	70	153	8,271	14,138	22,409
Consumable supplies	16,282	2,450	7,340	26,072	11,843	37,915
Small equipment	8,138	4,142	14,981	27,261	20,381	47,642
Advertising	200	720	1,150	2,070	6,732	8,802
Program costs	85,480	290,504	13,198	389,182	27,257	416,439
Staff development	2,497	457	3,223	6,177	553	6,730
Postage	422	647	332	1,401	3,774	5,175
Insurance	18,879	13,358	12,576	44,813	7,836	52,649
Utilities	20,069	3,181	46,349	69,599	16,405	86,004
Facility costs	48,691	5,755	20,548	74,994	38,018	113,012
Equipment rent	-	-	2,338	2,338	152	2,490
Licenses	100	-	335	435	-	435
Dues and subscriptions	43,833	5,422	25,005	74,260	15,712	89,972
Miscellaneous	83	4,887	635	5,605	13,833	19,438
Interest	-	-	-	-	8,847	8,847
Depreciation	31,611	2,529	63,223	97,363	76,360	173,723
<b>Total expenses</b>	<b>\$ 1,195,440</b>	<b>\$ 468,979</b>	<b>\$ 521,852</b>	<b>\$ 2,186,271</b>	<b>\$ 560,651</b>	<b>\$ 2,746,922</b>

See accompanying notes to financial statements.

# YWCA Clinton

## Statement of Functional Expenses

Years Ended September 30, 2021	Compiled 2021					
	Childcare	Empowerment	Physical	Total Program Expenses	Management and General	Total Expenses
Payroll and payroll expenses	\$ 800,610	\$ 106,091	\$ 269,029	\$ 1,175,730	\$ 242,471	\$ 1,418,201
Employee benefits	7,982	-	1,207	9,189	11,708	20,897
Pension expense	4,930	4	1,618	6,552	10,371	16,923
Professional fees	8,781	376	6,795	15,952	7,513	23,465
Office expenses	25,240	2,495	11,985	39,720	8,578	48,298
Consumable supplies	13,013	1,235	5,589	19,837	9,153	28,990
Small Equipment	2,450	2,078	2,394	6,922	2,779	9,701
Advertising	671	121	1,168	1,960	10,036	11,996
Program costs	85,077	447,156	14,874	547,107	17,690	564,797
Staff development	804	160	2,773	3,737	767	4,504
Postage	327	64	294	685	1,354	2,039
Insurance	17,023	12,188	11,385	40,596	7,096	47,692
Utilities	17,653	2,413	43,657	63,723	12,256	75,979
Facility costs	52,298	6,813	41,590	100,701	38,160	138,861
Equipment rent	641	7	289	937	908	1,845
Licenses	383	-	300	683	-	683
Dues and subscriptions	6,784	1,757	4,245	12,786	4,587	17,373
Miscellaneous	280	1,022	242	1,544	3,015	4,559
Grant expense	1,635	3,730	-	5,365	-	5,365
Interest	1,352	-	3,112	4,464	2,550	7,014
Depreciation	-	-	-	-	128,719	128,719
<b>Total expenses</b>	<b>\$ 1,047,934</b>	<b>\$ 587,710</b>	<b>\$ 422,546</b>	<b>\$ 2,058,190</b>	<b>\$ 519,711</b>	<b>\$ 2,577,901</b>

See accompanying notes to financial statements.



# YWCA Clinton

## Statement of Cash Flows

<i>Years Ended September 30, 2022 and 2021</i>	Audited 2022	Compiled 2021
Change in cash and cash equivalents:		
Cash flows from operating activities:		
Change in net assets	\$ 230,082	\$ 428,376
Adjustments to reconcile change in net assets to cash flows from operating activities:		
Depreciation	173,723	128,719
Loss on disposition of assets	1,468	-
Realized and unrealized (gains) losses on investments	128,461	(88,944)
Change in beneficial interest in assets held by the Community Foundation	(9,478)	6,227
Changes in operating assets and liabilities:		
Accounts receivable	33,195	(101,591)
Prepaid expenses and other	7,426	(1,012)
Promises to give	(4,173)	-
Forgiveness of PPP Loan		(563,205)
Accounts payable	4,721	(2,969)
Accrued salary and benefits	(1,809)	(79,058)
Deferred revenue	3,360	-
Total adjustments	336,894	(701,833)
Net cash flows from operating activities	566,976	(273,457)
Cash flows from investing activities:		
Purchase of property and equipment	(121,641)	23,922
Proceeds from sale of investments	165,286	212,453
Purchase of marketable securities	(103,173)	-
Contributions received for investments	-	60,024
Net cash flows from investing activities	(59,528)	296,399
Cash flows from financing activities:		
Principal payments on notes payable	(53,105)	(74,504)
Net cash flows from financing activities	(53,105)	(74,504)
Net changes in cash and cash equivalents	454,343	(51,562)
Cash and cash equivalents, beginning of year	361,469	413,031
Cash and cash equivalents, end of year	\$ 815,812	\$ 361,469
<i>Supplemental Disclosure of cash flow information:</i>		
Interest paid	\$ 8,847	\$ 8,867

See accompanying notes to financial statements.

# YWCA Clinton

## Notes to Financial Statements

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### **Note 1: Summary of Significant Accounting Policies**

#### **Nature of Activities**

YWCA Clinton (the Organization) was established as a nonprofit corporation without capital stock under the laws of the State of Iowa. The YWCA was formed to promote social interaction among citizens of Clinton, Iowa by providing a facility where women can reside and people can gather for various functions.

#### **Statement of Significant Accounting Policies**

The following summary of significant accounting policies of YWCA Clinton is presented to assist in the understanding of the Organization's financial statements. The financial statements and notes are representations of the YWCA Clinton' management, who is responsible for their integrity and objectivity.

#### **Basis of Accounting**

The financial statements of the Organization are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

#### **Use of Estimates**

The preparation of financial statements in conformity with U.S. GAAP, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue, support, and expenses during the reporting period. Actual results could differ from those estimates.

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

The Organization considers all highly liquid debt instruments with an original maturity of three months or less to be cash equivalents.

#### **Investments**

Investments in debt securities and equity securities with readily determinable fair values are carried at fair value based on quoted market prices in the statements of financial position. Investment income or loss (including gains and losses on investments, interest, and dividends, net of investment expenses) is included in the statements of activities as increases or decreases in net assets without donor restrictions unless the income or loss is restricted by donor or law.

# YWCA Clinton

## Notes to Financial Statements

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### **Note 1: Summary of Significant Accounting Policies** (Continued)

#### **Promises to Give**

Unconditional promises to give are recorded as receivables in the year pledged. Conditional promises to give are recognized only when the conditions on which they depend are substantially met. Promises to give whose eventual uses are restricted by the donors are recorded as increases in temporarily restricted net assets. Unrestricted promises to give to be collected in future periods are also recorded as an increase to temporarily restricted net assets and reclassified to unrestricted net assets when received, unless the donor's intention is to support current-period activities.

Promises to give expected to be collected in less than one year are reported at net realizable value. Promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows on a discounted basis applicable to the years in which the promises were received. The amortization of the discount is recognized as contribution income over the duration of the pledge.

Management individually reviews all past due promises to give balances and estimates the portion, if any, of the balance that will not be collected. The carrying amounts of promises to give are reduced by allowances that reflect management's estimate of uncollectible amounts. Management expects to collect all receivables and did not consider an allowance for uncollectible accounts necessary as of September 30, 2022 and 2021, respectively.

#### **Accounts Receivable**

Accounts receivable, unconditional promises to give, and grants receivable are recorded as receivables and revenue in the period they are earned or pledged, at estimated net realizable value, as they are expected to be collected within the next year. Promises to give and grants receivable are recorded as contribution income. Management recorded an allowance for uncollectible accounts of \$1,000 and \$1,000 as of September 30, 2022 and 2021, respectively.

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

Property and equipment are capitalized at cost or, if donated, at fair value on the date of donation. Depreciation is computed using the straight-line method over the estimated useful life of the asset. The Organization capitalizes property and equipment with a value greater than or equal to \$500 and a useful life of greater than one year.

The Organization reports gifts of property and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash and other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

# YWCA Clinton

## Notes to Financial Statements

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### **Note 1: Summary of Significant Accounting Policies** (Continued)

#### **Property, Equipment and Depreciation** (Continued)

The Organization is the lessee of equipment under a capital lease. The assets and liabilities under the capital leases are recorded at the lower of the present value of the minimum lease payments or the fair value of the asset. The assets are amortized over the lease term. Amortization of assets under capital lease is included in depreciation expense.

#### **Impairment of Long-Lived Assets**

The Organization reviews long-lived assets, including property and equipment and intangible assets, for impairment whenever events or changes in business circumstances indicate that the carrying amount of an asset may not be fully recoverable. An impairment loss would be recognized when the estimated future cash flows from the use of the asset and its fair value are less than the carrying amount of that asset. The Organization has not recognized any impairment of long lived assets during 2022 and 2021.

#### **Deferred Revenue**

Income from membership dues is deferred and recognized over the periods to which the dues and fees relate.

#### **Revenue and Revenue Recognition**

##### Contributions

Contributions, including promises to give, are considered conditional or unconditional, depending on the nature and existence of any donor or grantor conditions. A contribution or promise to give contains a donor or grantor condition when both of the following are present:

- An explicit identifying of a barrier, that is more than trivial, that must be overcome before the revenue can be earned and recognized
- An implicit right of return of assets transferred or a right of release of a donor or grantor's obligation to transfer assets promised, if the condition is not met

Conditional contributions are recognized when the barrier(s) to entitlement are overcome. Unconditional contributions are recognized as revenue when received.

Unconditional contributions or conditional contributions in which the conditions have been substantially met or explicitly waived by the donor are recorded as support with or without donor restrictions, depending on the existence and nature of any donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized.

# YWCA Clinton

## Notes to Financial Statements

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### **Note 1: Summary of Significant Accounting Policies** (Continued)

#### **Revenue and Revenue Recognition** (Continued)

##### Government contracts

Government contracts are either recorded as contributions or exchange transactions based on criteria contained in the grant award:

Government Contracts that are Contributions – Government contracts that are contributions are evaluated for conditions and recognized as revenue in accordance with ASC Topic 958-605 when conditions in the award are satisfied.

Unconditional awards are recognized as revenue when the award is received. Amounts received in which conditions have not been met are reflected as a refundable advance liability.

Government Contracts That Are Exchange Transactions - Exchange transactions are those in which the resource provider or grantor receives a commensurate value in exchange for goods or services transferred. Revenue is recognized in accordance with ASC Topic 606 when control of the promised goods or services is transferred to the customer (grantor) in an amount that reflects the consideration in which the entity expects to be entitled in exchange for those goods or services. Amounts received in excess of recognized revenue are reflected as a contract liability.

##### Membership Dues and Sponsorship Revenue

The Organization's contracts for memberships are recognized over time as the services are provided to the members. The membership contracts have one performance obligation because the services provided with membership are not distinct from each other. The transaction price associated with membership dues is reported as revenue and adjusted for the unearned portion at the end of the year.

##### Rental income

Rental income is recognized as revenue when earned.

#### **Income Tax Status**

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and applicable state law, though it is subject to tax on income unrelated to its exempt purpose. Accordingly, no provision or liability for income taxes has been included in the financial statements. Management does not believe there are any uncertain tax positions as of September 30, 2022 and 2021.

# YWCA Clinton

## Notes to Financial Statements

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### **Note 1: Summary of Significant Accounting Policies** (Continued)

#### **Net Assets**

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

**Net assets without donor restrictions:** Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

**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. Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restriction expires within the same reporting period in which the contribution is received. 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. The Organization had endowment donor restricted net assets that were perpetual in nature as of September 30, 2022 and 2021.

#### **Functional Allocation of Expenses**

The costs of providing various programs and other activities have been reported on a functional basis in the statements of activities. The statements of functional expenses present the natural classification details of expenses by function. Expenses which directly benefit the program, management and general, or fundraising are charged to the respective functional area on the basis of actual cost.

#### **Donated Services**

Donated services are recorded as public support only if they create or enhance non-financial assets, require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Donated materials are recorded at fair value at the date of the donation. A substantial number of unpaid volunteers contributed their time to develop the Organization's program services and fundraising campaigns. The value of these services is not reflected in the financial statements since the valuation is not susceptible to an objective measurement.

#### **Reclassifications**

Certain reclassifications have been made to the prior year financial statement to conform to the current year presentation.

# YWCA Clinton

## Notes to Financial Statements

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### **Note 1: Summary of Significant Accounting Policies** (Continued)

#### **Adoption of Accounting Pronouncement**

In 2020, the FASB issued *Not-for-Profit Entities (Topic 958) Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (ASU 2020-07)*. The amendments in this ASU apply to nonprofit organizations that receive contributed nonfinancial assets. Contribution revenue may be presented in the financial statements using different terms (for example, gifts, donations, grants, gifts-in-kind, donated services, or other terms). The amendments address presentation and disclosure of contributed nonfinancial assets. The term nonfinancial asset includes fixed assets (such as land, buildings, and equipment), use of fixed assets or utilities, materials and supplies, intangible assets, services, and unconditional promises of those assets. There was no change in opening balances of net assets and no prior period results were restated.

#### **New Accounting Pronouncements**

In February 2016, the FASB issued ASU 2016-02, *Leases: Amendments to the FASB Accounting Standards Codification (Topic 842)*, which amends the existing guidance on accounting for leases. This ASU requires the recognition of lease assets and liabilities on the Statement of Financial Position and the disclosure of key information about leasing arrangements. Early adoption is permitted and modified retrospective application is required for leases that exist or are entered into after the beginning of the earliest comparative period in the financial statements. In June 2020, the FASB issued ASU No. 2020-05, *Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842) Effective Dates for Certain Entities*. Prior to ASU No. 2020-05 the amendments to Topic 842 would be effective for the year ended December 31, 2021, for entities other than public business entities. ASU No. 2020-05 defers the effective date of the amendments to Topic 842 to the yearend December 31, 2022. Management has adopted the provisions of ASU No. 2020-05 and will defer implementation of the amendments to Topic 842. Management is currently evaluating the impact of adopting ASU 2016-02 on the financial statements and the related notes to the financial statements.

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments-Credit Losses*. The standard requires a financial asset (including trade receivables) measured at amortized cost basis to be presented at the net amount expected to be collected. Thus, the statement of activities will reflect the measurement of credit losses for newly-recognized financial assets as well as the expected increases or decreases of expected credit losses that have taken place during the period. This standard will be effective for the calendar year ending December 31, 2023. Management is currently evaluating the impact of adoption of this ASU on the financial statements and the related notes to the financial statements.

# YWCA Clinton

## Notes to Financial Statements

### Note 2: Liquidity and Availability of Financial Resources

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 date, comprise the following:

<i>Years Ended September 30, 2022 and 2021</i>	Audited 2022	Compiled 2021
Cash	\$ 815,812	\$ 361,469
Accounts receivable - Net	18,359	51,150
Investments	523,412	689,063
Total Financial Assets	1,357,583	1,101,682
Less: Amounts not available to be used within one year		
Net assets with donor restrictions	(275,509)	(275,509)
Financial Assets Available to Meet General Expenditures Over the Next Twelve Months	\$ 1,082,074	\$ 826,173

The Organization is substantially supported from net assets with donor restrictions. Those restrictions require that resources to be used in a particular manner or in a future period. Therefore the Organization must maintain sufficient resources to meet those responsibilities to its donors and certain financial assets may not be available for general expenditure within one year. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Organization has a quasi-endowment fund (primarily used for long-term investing) that could be utilized in the event of an unanticipated liquidity need.

### Note 3: Concentration of Credit Risk

Financial instruments that are exposed to concentrations of credit risk consist of cash and investments. Market risk could occur and is dependent on the future changes in market prices of the various investments held. Cash is held in high quality institutions and corporate bonds are invested in companies with high credit ratings. Realization of these items is dependent on various individual economic conditions. Investments are based on quoted market prices and realization and these investments are dependent on various individual economic conditions. As of September 30, 2022 and 2021, the Organization believed no significant concentrations of credit risk existed.



# YWCA Clinton

## Notes to Financial Statements

### Note 4: Investments

Investments at September 30, 2022 and 2021, and related returns for the years then ended consisted of the following:

<i>Years Ended September 30, 2022 and 2021</i>	Audited 2022	Compiled 2021
Mutual funds:		
Equity	\$ 274,432	\$ 431,388
Fixed income	241,851	237,804
Community foundation	7,129	16,607
Real assets	-	3,264
<b>Total</b>	<b>\$ 523,412</b>	<b>\$ 689,063</b>

Investments, in general, are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of risk associated with various investments, it is reasonably possible that changes in the values of certain investments will occur in the near term and that such changes could materially affect the amounts reported on the financial statements.

### Note 5: Fair Value Measurements

The framework for measuring fair value 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 I) and the lowest priority to unobservable inputs (level III). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

- Level I – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.
- Level II – Inputs to the valuation methodology include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; and inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level II input must be observable for substantially the full term of the asset or liability.
- Level III – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

# YWCA Clinton

## Notes to Financial Statements

### Note 5: Fair Value Measurements (Continued)

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

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at September 30.

Corporate bonds and government securities are valued at the converted market price of the bond or security multiplied by the par value of the bond or security.

Equities are valued based upon the daily closing price.

Mutual funds are valued at the daily closing price as reported by the fund. The mutual funds held by the Organization are deemed to be actively traded.

The following table sets forth by level, within the fair value hierarchy, the Organization's investments at fair value on a recurring basis as of September 30, 2022 and 2021:

<u>Audited</u> <i>September 30, 2022</i>	Level 1 Quoted Prices in Active Markets for Identical Assets	Level 2 Significant Other Inputs	Level 3 Significant Observable Inputs	Total
Mutual funds	\$ 516,283	\$ -	\$ -	\$ 516,283
Community foundation	-	7,129	-	7,129
<b>Total</b>	<b>\$ 516,283</b>	<b>\$ 7,129</b>	<b>\$ -</b>	<b>\$ 523,412</b>

<u>Compiled</u> <i>September 30, 2021</i>	Level 1 Quoted Prices in Active Markets for Identical Assets	Level 2 Significant Other Inputs	Level 3 Significant Observable Inputs	Total
Mutual funds	\$ 669,192	\$ -	\$ -	\$ 669,192
Real Assets	3,264	-	-	3,264
Community Foundation	-	16,607	-	16,607
<b>Total</b>	<b>\$ 672,456</b>	<b>\$ 16,607</b>	<b>\$ -</b>	<b>\$ 689,063</b>

# YWCA Clinton

## Notes to Financial Statements

### Note 5: Fair Value Measurements (Continued)

<i>Summary of investment returns:</i>	Audited 2022	Compiled 2021
Interest and dividends	\$ 23,096	\$ 13,159
Realized and unrealized gains (losses)	(128,461)	88,944
Investment expenses	(6,157)	(7,307)
Total Investment Income (Loss)	\$ (111,522)	\$ 94,796

### Note 6: Property and Equipment

At September 30, 2022 and 2021, the costs and related accumulated depreciation consisted of the following:

	Audited 2022	Compiled 2021
Land	\$ 55,445	\$ 55,445
Land improvements	49,965	35,210
Buildings	3,095,635	3,093,843
Leasehold improvements	19,563	13,288
Equipment	1,669,105	1,640,300
Furniture and fixtures	186,181	173,845
	5,075,894	5,011,931
Accumulated depreciation	(3,732,871)	(3,615,358)
Total	\$ 1,343,023	\$ 1,396,573

Depreciation expense for the year ending September 30, 2022 and 2021, was \$173,723 (audited) and \$128,719 (compiled), respectively.

# YWCA Clinton

## Notes to Financial Statements

### Note 7: Long-Term Debt

Long-term debt consisted of the following at September 30, 2022 and 2021:

	Audited 2022	Compiled 2021
Promissory note with Clinton National Bank, secured by business assets, requiring monthly payments of \$797 of principal and interest at 5.00%, maturing on June 5, 2023	\$ 39,911	\$ 47,261
SBA/EIDL promissory note payable, secured by business assets, requiring monthly payments of \$641 of principal and interest at 2.75%, maturing June 30, 2051	149,232	150,000
YWCA National Covid loan, requiring monthly payments of \$1,111 of principal, maturing September 1, 2023	13,333	26,667
Financing lease with Macrolease Corporation, secured by fitness equipment with a carrying value of \$41,976, requiring monthly payments of \$1,332 of principal and interest at 5.857%, with final payment due November 17, 2024	32,451	46,097
<b>Total long-term liabilities</b>	<b>234,927</b>	<b>270,025</b>
<b>Less: Current maturities</b>	<b>(71,348)</b>	<b>(53,105)</b>
<b>Total long-term liabilities, net</b>	<b>\$ 163,579</b>	<b>\$ 216,920</b>

Approximate future annual minimum principal and interest payments as of September 30, 2022 are as follows:

	Principal	Interest	Total
2023	\$ 71,348	\$ 7,268	\$ 78,616
2024	19,076	4,600	23,676
2025	6,488	3,869	10,357
2026	3,949	3,743	7,692
2027	4,059	3,633	7,692
2028 - 2032	22,054	16,406	38,460
Thereafter	107,953	28,546	136,499
<b>Total</b>	<b>\$ 234,927</b>	<b>\$ 68,065</b>	<b>\$ 302,992</b>

# YWCA Clinton

## Notes to Financial Statements

### Note 7: Long-Term Debt (Continued)

The changes in long-term liabilities for the year ended September 30, 2022 and 2021 were as follows:

	<u>Audited</u> 2022				
	Balance 10/1/2021	Additions	Reductions	Balance 09/30/22	Amounts due Within One Year
Notes payable	\$ 241,935	\$ -	\$ (39,459)	\$ 202,476	\$ 56,881
Financing lease	46,097	-	(13,646)	32,451	14,467
<b>Total</b>	<b>\$ 288,032</b>	<b>\$ -</b>	<b>\$ (53,105)</b>	<b>\$ 234,927</b>	<b>\$ 71,348</b>

	<u>Compiled</u> 2021				
	Balance 09/30/20	Additions	Reductions	Balance 9/30/2021	Amounts due Within One Year
Notes payable	\$ 548,394	\$ -	\$ (306,459)	\$ 241,935	\$ 39,459
Financing lease	58,969	-	(12,872)	46,097	13,646
<b>Total</b>	<b>\$ 607,363</b>	<b>\$ -</b>	<b>\$ (319,331)</b>	<b>\$ 288,032</b>	<b>\$ 53,105</b>

# YWCA Clinton

## Notes to Financial Statements

### Note 8: Capital Lease Obligation

The Organization entered into a capital lease agreement dated October 9, 2019, for the use of fitness equipment. The lease calls for annual payments equal to \$1,332, including interest at 5.857% per annum, maturing November 17, 2024.

Property held under capital lease obligations is as follows:

<i>Years Ended September 30, 2022 and 2021</i>	Audited 2022	Compiled 2021
Fitness equipment	\$ 41,976	\$ 51,852
Total	\$ 41,976	\$ 51,852

Debt service requirements are as follows:

<i>Years Ended September 30, 2022 and 2021</i>	Audited 2022	Compiled 2021
Fitness equipment	\$ 32,451	\$ 46,097
Total	\$ 32,451	\$ 46,097

### Note 9: Net Assets with Donor Restriction

Net assets with donor restrictions are restricted for the following purposes or periods.

<i>Years Ended September 30, 2022 and 2021</i>	Audited 2022	Compiled 2021
Donor restricted endowment fund	\$ 275,509	\$ 275,509

The Organization releases net assets from donor restrictions as they incur expenses satisfying the restrictions imposed or by occurrence of other events specified by donors or time.

Net assets released from donor restrictions totaled \$1,458,372 (audited) and \$1,522,976 (compiled) for the years ended September 30, 2022 and 2021, respectively.

# YWCA Clinton

## Notes to Financial Statements

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### Note 10: Retirement Plan

Eligible employees of the YWCA participate in the YWCA Retirement Fund, Incorporated, which is a fully independent organization incorporated in the state of New York and operating since 1925. The retirement fund covers employees of the 350 multi-employee organizations throughout the U.S.A. The retirement fund is a defined benefit plan which permits it to be covered by insurance of the U.S. Government's Pension Benefit Guaranty Corporation.

Employer retirement contributions of \$18,737 (audited) and \$16,923 (compiled), were expensed during the years ended September 30, 2022 and 2021, respectively. Employer contributions of \$2,483 (audited) and \$2,008 (compiled) were payable as of September 30, 2022 and 2021, respectively.

### Note 11: Subsequent Event

Management has evaluated subsequent events through June 22, 2023, the date of the independent auditor's report, the date the financial statements were available to be issued.

### Note 12: Contributed Nonfinancial Assets

Conditional promises to give at September 30, consist of promises to:

<i>Years Ended September 30, 2022 and 2021</i>	Audited 2022	Compiled 2021
Contributed services	\$ 19,517	\$ 15,817
<b>Total</b>	<b>\$ 19,517</b>	<b>\$ 15,817</b>

The Organization recognizes contributed nonfinancial assets within revenue, including a contributed services. Unless otherwise noted, contributed nonfinancial assets did not have donor imposed restrictions.

Contributed services recognized comprise professional services from CPAs compiling the Organization's financial statements and contributed utility services. Contributed services are valued and are reported at the estimated fair value in the financial statements based on current rates for similar financial and utility services.

### Note 13: Prior Year Restatement

As a result of correcting the fixed asset balance prior year net assets were restated as follows:

Balance at September 30, 2021	\$ 2,126,766
Prior period adjustment to correct fixed assets	92,805
<b>Balance at September 30 2021, as restated</b>	<b>\$ 2,219,571</b>

# YWCA Clinton

## Notes to Financial Statements

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### Note 14: Endowment Funds

The Board of Directors has interpreted the Iowa Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the date of the donor-restricted endowment funds, unless there are explicit donor stipulations to the contrary. At September 30, 2022 and 2021, there were no such donor stipulations. As a result of this interpretation, the Organization retains in perpetuity (a) the original value of initial and subsequent gift amounts (including promises to give net of discount and allowance for doubtful accounts) donated to the Endowment and (b) any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by us in a manner consistent with the standard of prudence prescribed by UPMIFA. We consider the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the organization and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the organization
- The investment policies of the organization

The primary long-term financial objective for the Organization's endowments is to preserve the real purchasing power of endowment assets and income after accounting for endowment spending and costs of portfolio management. Performance of the overall endowment against this objective is measured over rolling periods of one, three, and five years.

The endowment funds are managed to optimize the long run total rate of return on invested assets, assuming a prudent level of risk. The goal for this rate of return is one that provides funding for the Organization's existing spending policy. Over the short term, the return for each element of the endowment portfolio should match or exceed each of the returns for the broader capital markets in which assets are invested.

The endowment assets are governed by a spending policy that seeks to distribute a specific payout rate of the endowment base to support the Organization's programs. The endowment base will be defined as the three-year moving average of the market value of the total endowment portfolio (calculated as of the last day of December for the prior three years). The distribution or payout rate will be calculated at a specific fixed percentage of the base. Such a policy will allow for a greater predictability of spendable income for budgeting purposes and for gradual steady growth for the support of operations by the endowments. In addition, this policy will minimize the probability of invading the principal over the long term. Spending in a given year will reduce the unit value of each endowment element by the payout percentage. In the case of short-term declines in the market value of the endowment pool of funds, the overall spending rate may be calculated below the designated payout percentage in order to maintain the original unit value of certain elements of the true endowment. Growth of the unit values over time should allow for spending of principal, without drawing from the original corpus of a particular gift.



# YWCA Clinton

## Notes to Financial Statements

### Note 14: Endowment Funds (Continued)

Composition of endowment net assets for the year ended September 30, 2022, were as follows:

<u>Audited</u> September 30, 2022	Without Donor Restriction	With Donor Restriction	Total
Donor-restricted endowment funds	\$ -	\$ 275,509	\$ 275,509
Board-designated endowment funds	267,867	-	267,867
<b>Total</b>	<b>\$ 267,867</b>	<b>\$ 275,509</b>	<b>\$ 543,376</b>

<u>Compiled</u> September 30, 2021	Without Donor Restriction	With Donor Restriction	Total
Donor-restricted endowment funds	\$ -	\$ 275,509	\$ 275,509
Board-designated endowment funds	396,946	-	396,946
<b>Total</b>	<b>\$ 396,946</b>	<b>\$ 275,509</b>	<b>\$ 672,455</b>

Changes in endowment net assets for the year ended September 30, 2022, are as follows:

September 30, 2022	Without Donor Restriction	With Donor Restriction	Total
Endowment net assets, September 30, 2021	\$ 396,946	\$ 275,509	\$ 672,455
Interest and dividends	16,887	6,209	23,096
Realized gain on investments	74,048	-	74,048
Unrealized loss on investments	(202,509)	-	(202,509)
Amounts appropriated for expenditure	(23,714)	-	(23,714)
Amounts released from restriction	6,209	(6,209)	-
<b>Total</b>	<b>\$ 267,867</b>	<b>\$ 275,509</b>	<b>\$ 543,376</b>

# YWCA Clinton

## Schedules of Revenue and Expenses by Department

<u>Audited</u> <i>Years Ended September 30, 2022</i>	Childcare	Empowerment	Physical	Management and General	Total
Contributions	\$ 5,524	\$ -	\$ 12,798	\$ 191,446	\$ 209,768
Governmental grants	816,796	432,775	167,492	35,000	1,452,063
Activities and fees revenue	622,443	1,054	324,585	1,168	949,250
Investment income	-	-	-	23,096	23,096
Realized gains (losses) on investments	-	-	-	74,048	74,048
Miscellaneous income	4,154	36,213	148	48,538	89,053
Net unrealized gains (losses) on investments	-	-	-	(202,509)	(202,509)
Contributions - Restricted	-	-	-	100	100
Contributions - In-kind	438	438	438	18,203	19,517
ERTC FICA Tax Credit	222,043	25,660	64,233	50,682	362,618
<b>Total revenues, gains, and other support</b>	<b>1,671,398</b>	<b>496,140</b>	<b>569,694</b>	<b>239,772</b>	<b>2,977,004</b>
Salaries and payroll taxes	870,265	127,926	291,674	250,559	1,540,424
Employee Benefits	18,316	498	2,703	4,836	26,353
Pension Expense	11,513	3	3,055	4,166	18,737
Travel expenses	949	31	158	1,891	3,029
Professional fees	10,064	6,399	12,876	37,358	66,697
Office expense	8,048	70	153	14,138	22,409
Consumable supplies	16,282	2,450	7,340	11,843	37,915
Small equipment	8,138	4,142	14,981	20,381	47,642
Advertising	200	720	1,150	6,732	8,802
Program costs	85,480	290,504	13,198	27,257	416,439
Staff development	2,497	457	3,223	553	6,730
Postage	422	647	332	3,774	5,175
Insurance	18,879	13,358	12,576	7,836	52,649
Utilities	20,069	3,181	46,349	16,405	86,004
Facility costs	48,691	5,755	20,548	38,018	113,012
Equipment rent	-	-	2,338	152	2,490
Licenses	100	-	335	-	435
Dues and subscriptions	43,833	5,422	25,005	15,712	89,972
Miscellaneous	83	4,887	635	13,833	19,438
Interest	-	-	-	8,847	8,847
Depreciation	31,611	2,529	63,223	76,360	173,723
<b>Total expenses</b>	<b>1,195,440</b>	<b>468,979</b>	<b>521,852</b>	<b>560,651</b>	<b>2,746,922</b>
Transfers	(64,083)	(34,367)	(35,528)	133,978	-
<b>Net income (loss)</b>	<b>\$ 411,875</b>	<b>\$ (7,206)</b>	<b>\$ 12,314</b>	<b>\$ (186,901)</b>	<b>\$ 230,082</b>

See Independent Accountant's Audit Report on Supplementary Information.

# YWCA Clinton

## Schedules of Revenue and Expenses by Department

<u>Compiled</u> <i>Years Ended September 30, 2021</i>	Childcare	Empowerment	Physical	Management and General	Total
Contributions	\$ 15,151	\$ 28,380	\$ 11,950	\$ 134,033	\$ 189,514
Governmental grants	453,039	478,754	27,776	4,749	964,318
United Way	27,486	11,178	-	86	38,750
Activities and fees revenue	713,713	46,500	271,060	36,730	1,068,003
Investment income	-	-	-	13,159	13,159
Realized gains (losses) on investments	-	-	-	14,133	14,133
Miscellaneous income	1,489	-	-	78,895	80,384
Net unrealized gains (losses) on investments	-	-	-	74,811	74,811
Contributions - Restricted	-	-	-	-	-
Contributions - In-kind	-	-	-	-	-
PPP loan forgiveness	-	-	-	563,205	563,205
ERTC FICA Tax Credit	-	-	-	-	-
<b>Total revenue, gains, and other support</b>	<b>1,210,878</b>	<b>564,812</b>	<b>310,786</b>	<b>919,801</b>	<b>3,006,277</b>
Salaries and payroll taxes	800,610	106,091	269,029	242,471	1,418,201
Employee Benefits	7,982	-	1,207	11,708	20,897
Pension Expense	4,930	4	1,618	10,371	16,923
Travel expenses	-	-	-	-	-
Professional fees	8,781	376	2,878	7,513	19,548
Office expense	25,240	2,495	7,029	8,578	43,342
Consumable supplies	13,013	1,235	5,589	9,153	28,990
Small equipment	2,450	2,078	2,394	2,779	9,701
Advertising	671	121	1,168	10,036	11,996
Program costs	85,077	447,156	14,874	17,690	564,797
Staff development	804	160	2,773	767	4,504
Postage	327	64	294	1,354	2,039
Insurance	17,023	12,188	11,385	7,096	47,692
Utilities	17,653	2,413	43,657	12,256	75,979
Facility costs	52,298	6,813	41,590	38,160	138,861
Equipment rent	641	7	289	908	1,845
Licenses	383	-	300	-	683
Dues and subscriptions	6,784	1,757	16,230	4,587	29,358
Miscellaneous	280	1,022	242	3,015	4,559
Grant expense	1,635	3,730	-	-	5,365
Interest	1,352	-	-	2,550	3,902
Depreciation	-	-	-	128,719	128,719
<b>Total Expenses</b>	<b>1,047,934</b>	<b>587,710</b>	<b>422,546</b>	<b>519,711</b>	<b>2,577,901</b>
<b>Net income (loss)</b>	<b>\$ 162,944</b>	<b>\$ (22,898)</b>	<b>\$ (111,760)</b>	<b>\$ 400,090</b>	<b>\$ 428,376</b>

See Independent Accountant's Audit Report on Supplementary Information.