

THE YWCA OF NORTHWEST OHIO
CONSOLIDATED FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITOR'S REPORT
AND SUPPLEMENTARY INFORMATION
JUNE 30, 2021 AND 2020

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
The YWCA of Northwest Ohio
Toledo, Ohio

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of The YWCA of Northwest Ohio and its subsidiaries (the Association), which comprise the consolidated statements of financial position as of June 30, 2021 and 2020, the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, financial statements).

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Association as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplemental schedules on pages 27 – 31 are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. The accompanying schedule of expenditures of federal awards on pages 32 – 33 is presented for purposes of additional analysis as required Uniform Guidance and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 24, 2022 on our consideration of the Association'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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Association's internal control over financial reporting and compliance.

Gilmore Jasion Mahler, LTD

Maumee, Ohio
January 24, 2022

THE YWCA OF NORTHWEST OHIO
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
June 30, 2021 and 2020

	2021	2020
ASSETS		
Cash and cash equivalents	\$ 2,092,620	\$ 1,327,620
Housing reserves	335,232	334,897
Investments	3,076,607	1,449,636
Grants receivable	1,204,295	740,974
Accounts receivable, net of allowance	14,695	24,491
Promise to give	180,898	123,661
Prepaid expenses and other assets	23,301	23,900
Total current assets	6,927,648	4,025,179
Property and equipment, net of accumulated depreciation of \$7,924,932 and \$7,472,717	6,111,290	6,492,648
Beneficial interest in perpetual trusts	4,112,994	3,347,912
Total assets	\$ 17,151,932	\$ 13,865,739
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$ 171,734	\$ 259,712
Paycheck Protection Program loan - current portion	39,904	228,256
Accrued payroll, compensated absences, and payroll taxes	445,589	442,602
Other accrued expenses	51,787	45,373
Total current liabilities	709,014	975,943
Refundable advances	251,894	278,450
Paycheck Protection Program loan - long term portion	127,396	246,951
Total liabilities	1,088,304	1,501,344
Net assets		
Without donor restrictions		
Undesignated	3,279,897	1,710,825
Board designated		
For capital improvements	644,681	463,433
For YWCA of Lima operations	791,706	595,953
For capital campaign	1,000,000	0
Net investment in property and equipment	1,116,535	1,180,996
Net investment in YWCA Housing, LLC	2,405,285	2,802,277
Total net assets without donor restrictions	9,238,104	6,753,484
With donor restrictions		
Purpose and time restricted	2,712,530	2,262,999
Perpetual in nature	4,112,994	3,347,912
Total net assets with donor restrictions	6,825,524	5,610,911
Total net assets	16,063,628	12,364,395
Total liabilities and net assets	\$ 17,151,932	\$ 13,865,739

The accompanying notes are an integral part of these financial statements.

THE YWCA OF NORTHWEST OHIO
CONSOLIDATED STATEMENTS OF ACTIVITIES
For the Years Ended June 30, 2021 and 2020

	2021		
	Without donor restrictions	With donor restrictions	Total
Public support			
Government grants	\$ 3,267,672	\$ 0	\$ 3,267,672
Nongovernmental grants	80,278		80,278
Foundation and trusts contributions	308,723		308,723
Other contributions	2,146,425	275,000	2,421,425
United Way		180,898	180,898
Total public support	5,803,098	455,898	6,258,996
Program service fees and other revenue			
Program service fees	313,796		313,796
Performance incentives	61,000		61,000
Special events	134,723		134,723
Rental income	10,800		10,800
Investment income (loss)	584,008		584,008
Distribution from perpetual trusts	247,522		247,522
Net realized and unrealized gain (loss) on investments and beneficial interest in perpetual trusts		765,082	765,082
Other	2,634		2,634
Total program service fees and other revenue	1,354,483	765,082	2,119,565
Net assets released from restrictions	123,661	(123,661)	0
Total support and revenue	7,281,242	1,097,319	8,378,561
Functional expenses			
Program services	4,543,622		4,543,622
Management and general	247,148		247,148
Fundraising	40,262		40,262
Total functional expenses	4,831,032	0	4,831,032
Total operating income (loss)	2,450,210	1,097,319	3,547,529
Other changes in net assets			
Paycheck Protection Program loan forgiveness	307,907		307,907
TREIC - net activity		117,294	117,294
Net rental activity	(273,497)		(273,497)
Total other changes in net assets	34,410	117,294	151,704
Change in net assets	2,484,620	1,214,613	3,699,233
Net assets at beginning of year	6,753,484	5,610,911	12,364,395
Net assets at end of year	\$ 9,238,104	\$ 6,825,524	\$ 16,063,628

2020		
Without donor restrictions	With donor restrictions	Total
\$ 3,831,321	\$ 0	\$ 3,831,321
91,732		91,732
135,077		135,077
452,769		452,769
	123,661	123,661
4,510,899	123,661	4,634,560
260,950		260,950
126,000		126,000
156,405		156,405
10,949		10,949
(14,427)		(14,427)
254,437		254,437
	(94,691)	(94,691)
46,066		46,066
840,380	(94,691)	745,689
137,209	(137,209)	0
5,488,488	(108,239)	5,380,249
4,728,369		4,728,369
230,138		230,138
54,375		54,375
5,012,882	0	5,012,882
475,606	(108,239)	367,367
144,893		144,893
		0
(263,117)		(263,117)
(118,224)	0	(118,224)
357,382	(108,239)	249,143
6,396,102	5,719,150	12,115,252
\$ 6,753,484	\$ 5,610,911	\$ 12,364,395

The accompanying notes are an integral part of these financial statements.

THE YWCA OF NORTHWEST OHIO
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2021 with Comparative 2020 Total

	Program Services						Support Services		2021 Totals	2020 Totals	
	Social Justice	Health and Fitness and Encore Plus	Childcare Resource and Referral	Youth Development	Domestic Violence Shelter	Rape Crisis Center	Total Program Services	Management and General			Fundraising
Salaries	\$ 22,904	\$ 113,338	\$ 1,225,617	\$ 440,919	\$ 556,963	\$ 151,108	\$ 2,510,849	\$ 180,606	\$ 7,482	\$ 2,698,937	\$ 2,749,103
Supplies	29,099	7,451	275,929	23,137	67,085	12,307	415,008	371	11,250	426,629	659,965
Professional services	6,000	5,820	235,323	38,465	38,119	67,636	391,363	681	338	392,382	376,338
Occupancy	70	3,864	136,475	59,969	66,377	26,012	292,767	35,029	17,316	345,112	343,073
Fringe benefits	3,276	11,241	95,886	45,745	34,498	12,788	203,434	10,621	887	214,942	233,990
Assistance to individuals		9,834	7,465	4,486	174,301	4,730	200,816	409	203	201,428	79,778
Payroll taxes	1,901	5,910	69,157	23,653	32,725	7,145	140,491	13,927	771	155,189	204,244
Advertising	100	5	34,095	27	70,031	35,861	140,119			140,119	50,932
Depreciation		3,028	59,066	28,639	29,027	9,783	129,543	3,866	1,909	135,318	129,093
Telephone		1,616	22,457	7,677	8,848	7,277	47,875	124	61	48,060	41,334
Regional YWCA		1,119	13,777	5,373	6,149	2,365	28,783	1,423		30,206	22,225
Travel		647	11,636	2,546	284	899	16,012	91	45	16,148	63,169
Miscellaneous	205	337	8,919	1,814	1,995	760	14,030			14,030	12,478
Conferences	100	108	3,022	7,019	429	1,854	12,532			12,532	43,137
Interest							0			0	4,023
Total Expenses	\$ 63,655	\$ 164,318	\$ 2,198,824	\$ 689,469	\$ 1,086,831	\$ 340,525	\$ 4,543,622	\$ 247,148	\$ 40,262	\$ 4,831,032	\$ 5,012,882

The accompanying notes are an integral part of these financial statements.

THE YWCA OF NORTHWEST OHIO
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2020

	Program Services						Support Services		2020 Totals	
	Social Justice	Health and Fitness and Encore Plus	Childcare Resource and Referral	Youth Development	Domestic Violence Shelter	Rape Crisis Center	Total Program Services	Management and General		Fundraising
Salaries	\$ 29,265	\$ 98,335	\$ 1,132,410	\$ 527,858	\$ 593,007	\$ 204,218	\$ 2,585,093	\$ 155,497	\$ 8,513	\$ 2,749,103
Supplies	689	8,625	509,975	59,891	39,720	15,301	634,201	2,938	22,826	659,965
Occupancy	884	3,190	198,534	49,798	35,043	85,096	372,545	2,587	1,206	376,338
Professional services		405	133,056	62,882	69,637	23,548	289,528	36,523	17,022	343,073
Fringe benefits		7,882	97,339	63,585	41,329	12,724	222,859	10,131	1,000	233,990
Payroll taxes	3,081	6,850	81,205	38,656	45,242	15,329	190,363	12,962	919	204,244
Depreciation		1,870	56,299	28,925	26,097	9,915	123,106	4,085	1,902	129,093
Assistance to individuals		1,872	8,011	15,301	52,820	1,657	79,661	79	38	79,778
Travel	48	8	28,687	109	30,457	3,770	63,079	61	29	63,169
Advertising	77	1,714	35,059	9,230	823	3,918	50,821	75	36	50,932
Conferences		1,856	20,716	8,610	4,987	6,808	42,977	110	50	43,137
Telephone	421	22	9,353	27,590	1,240	2,708	41,334			41,334
Regional YWCA		672	9,651	4,245	4,568	2,022	21,158	1,067		22,225
Miscellaneous		245	6,319	1,942	2,280	858	11,644		834	12,478
Interest							0	4,023		4,023
Total Expenses	\$ 34,465	\$ 133,546	\$ 2,326,614	\$ 898,622	\$ 947,250	\$ 387,872	\$ 4,728,369	\$ 230,138	\$ 54,375	\$ 5,012,882

The accompanying notes are an integral part of these financial statements.

THE YWCA OF NORTHWEST OHIO
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2021 and 2020

	2021	2020
Cash flows from operating activities		
Change in net assets	\$ 3,699,233	\$ 249,143
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Net realized and unrealized investment (gain) loss	(584,008)	14,427
Net (gain) loss on interest in perpetual trust	(765,082)	94,691
Depreciation and amortization	452,157	445,146
Paycheck Protection Program loan forgiveness	(307,907)	(144,893)
Change in operating assets and liabilities that (Increase) decrease in:		
Grants receivable	(463,321)	5,951
Accounts receivable, net of allowance	9,796	(19,495)
Promise to give	(57,237)	13,548
Prepaid expenses and other assets	599	3,997
Increase (decrease) in:		
Accounts payable	(87,978)	(121,778)
Other accrued expenses	9,401	(68,922)
Refundable advances	(26,556)	61,982
Net cash provided by operating activities	1,879,097	533,797
Cash flows from investing activities		
Payments for acquisition of property and equipment	(70,799)	(93,388)
Purchase of investments	(1,042,963)	(51,153)
Proceeds from sale of investments	0	125,000
Net cash used in investing activities	(1,113,762)	(19,541)
Cash flows from financing activities		
Payments on line of credit	0	(186,000)
Proceeds from issuance Paycheck Protection Program loan	0	620,100
Net cash provided by financing activities	0	434,100
Increase in cash, cash equivalents, and restricted cash	765,335	948,356
Cash, cash equivalents, and restricted cash-beginning of year	1,662,517	714,161
Cash, cash equivalents, and restricted cash-end of year	\$ 2,427,852	\$ 1,662,517
Supplemental disclosure of cash flow information		
Cash paid during the year for:		
Interest	\$ 0	\$ 4,023
Paycheck Protection Program loan forgiveness	\$ 307,907	\$ 144,893

The accompanying notes are an integral part of these financial statements.

THE YWCA OF NORTHWEST OHIO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2021 and 2020

Note 1–Nature of business

The YWCA of Northwest Ohio (the Association) is a vital, multi-faceted social service agency in Northwest Ohio. For over 150 years, the Association has been supporting the community for a number of issues affecting girls and women. Incorporated in 1891, the Association provides permanent supportive housing to women and children, pregnancy prevention education to all 6-12 grade students in Toledo Public Schools; the Association has a 24/7 emergency domestic violence shelter, and a 24/7 sexual assault program. The Association provides training and technical support to parents and childcare providers, and racial justice education and programming for staff and in the community. The Association also provides a Breast Health Awareness program, connecting uninsured and underinsured women who are at risk for breast cancer to mammography services. and an Infant Mortality Program helping to reduce the incidents of infant mortality in the community. The Association is affiliated with the National Young Women’s Christian Association.

The Association has two wholly-owned subsidiaries organized in 2007. YWCA Housing, Inc. is a for-profit corporation and YWCA Housing, LLC (the LLC), established to develop, construct, rehabilitate, own, lease, manage, sell and operate two buildings in Toledo, Ohio to be used for permanent supportive housing for low and moderate-income families and individuals. The Association is the sole shareholder of YWCA Housing, Inc. which owns a .01% membership interest and serves as the managing member of the LLC. The accounts of the YWCA Housing, Inc. and the LLC are included in the accompanying consolidated financial statements.

Note 2–Summary of significant accounting and reporting policies

Basis of accounting

The financial statements of the Association have been prepared on the accrual basis of accounting. The accrual basis of accounting provides for the recognition of revenues when earned and the recognition of expenses when incurred.

Basis of consolidation

The accompanying consolidated financial statements include the accounts of YWCA Housing, Inc., the LLC, and the Association, as described above. All significant intercompany transactions and balances have been eliminated in consolidation.

Use of estimates

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

Cash and cash equivalents

The Association considers financial instruments with original maturities of 90 days or less to be cash equivalents. The Association maintains deposits in federally insured financial institutions. At times, these deposits exceed federally insured limits; however, management monitors the soundness of these financial institutions and believes the risk of loss is negligible.

THE YWCA OF NORTHWEST OHIO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
June 30, 2021 and 2020

Note 2—Summary of significant accounting and reporting policies—continued

Investment valuation and income recognition

Investments are stated at fair value and realized and unrealized gains and losses are reported in the statement of activities. Investments are valued on the last day of the Association's year-end.

Accounts receivable

The Association considers all receivables and promises to give to be fully collectible; accordingly, no allowance for doubtful accounts is included in the financial statements. When amounts are deemed to be uncollectible, they are expensed in the year in which that determination is made.

Promises to give are all due within one year.

Property and equipment

Land, buildings and improvements, and furniture and fixtures are recorded at cost. Improvements are capitalized, while expenditures for maintenance and repairs are charged to expenses as incurred. Upon disposal of depreciable property, the appropriate property accounts are reduced by the related costs and accumulated depreciation.

Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives. The estimated service life of the assets for depreciation purposes may be different than their actual economic useful lives.

The Association reviews its investment in real estate for impairment whenever events or changes in circumstances indicate that the carrying value of such property may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the real estate to the future net undiscounted cash flow expected to be generated by the rental property, including the low-income housing tax credits and any estimated proceeds from the eventual disposition of the real estate. If the real estate is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the real estate exceeds the fair value of such property. Management believes there were no impairment losses in 2021 and 2020.

Compensated absences

Vacation benefits are accrued as a liability for an employee's right to receive compensation that has been accumulated and vested at the end of the fiscal year.

Sick leave benefits are accrued as a liability as the benefits are earned if the employee's right to receive compensation is attributable to services already rendered, and it is probable that the Association will compensate the employees for the benefits through paid time off or some other means.

Paycheck Protection Program

In March 2020, passage of the Coronavirus Aid, Relief, and Economic Security (CARES) Act established the Paycheck Protection Program (PPP), administered by the Small Business Administration (SBA) to provide loans to qualifying entities. The Association has elected to follow Accounting Standards Codification (ASC) 958-605, *Not-for-Profit Entities (Topic 958) Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made* to account for the PPP loan received. Conditions exist for loan forgiveness per SBA guidelines including the use of proceeds on eligible expenses. Revenue is recognized as eligible expenses are incurred and as other conditions for the loan are satisfied. See Note 10.

THE YWCA OF NORTHWEST OHIO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
June 30, 2021 and 2020

Note 2—Summary of significant accounting and reporting policies—continued

Classification of net assets

Net assets without donor restrictions consist of all the resources and obligations related to the daily operations of the Association. Unrestricted net assets may be designated for specific purposes by action of the Board of Directors. The Board of Directors has designated \$644,681 and \$463,433 for capital reserves as of June 30, 2021 and 2020, respectively. The Association has \$791,706 and \$595,953 of investments from YWCA Lima as of June 30, 2021 and 2020, respectively, which is considered designated for use in the Lima area. The Board of Directors also designated \$1,000,000 for the capital campaign as of June 30, 2021.

YWCA Housing Project is bound by a restrictive covenant. The covenant states that 100% of the project property must be maintained as low-income housing for a compliance period of 30 years.

The covenant and certain loan and grant agreements require the following rent and income restrictions as a percentage of the area median gross income (AMGI):

Income Restrictions

26 units occupied at or below 60% of the AMGI
 26 units occupied at or below 50% of the AMGI
 13 units occupied at or below 35% of the AMGI

Rent Restrictions

26 units affordable at or below 60% of the AMGI
 32 units affordable at or below 50% of the AMGI
 7 units affordable at or below 35% of the AMGI

Net assets with donor restrictions for time or purpose contain donor-imposed restrictions that permit the Association to use or expend the assets as specified. The restrictions are satisfied either by the passage of time or by actions of the Association. Donor-restricted public support and revenue whose restrictions are met in the same reporting period are reported as unrestricted revenue.

The net assets with donor restrictions at June 30 are available for the following purposes:

	<u>2021</u>	<u>2020</u>
For subsequent year's activities	\$ 180,898	\$ 123,661
Capital campaign	275,000	0
TREIC	117,294	0
Specific program use	548	548
YWCA Housing Project	2,138,790	2,138,790
Total	<u>\$ 2,712,530</u>	<u>\$ 2,262,999</u>

THE YWCA OF NORTHWEST OHIO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
June 30, 2021 and 2020

Note 2-Summary of significant accounting and reporting policies-continued

Classification of net assets-continued

The United Way of Greater Toledo’s campaign funds are classified as a contribution and the pledge is recorded as net assets with donor restrictions when the Association receives notice of its allocation and designations from United Way. Such revenue is released from restriction and is included in net assets without donor restrictions revenue in the year to which the contribution is allocated by United Way.

Net assets with donor restrictions perpetual in nature contain funding sources or donor-imposed restrictions that stipulate that resources be maintained in perpetuity for a specific purpose.

The net assets with donor restrictions at June 30 are:

	2021	2020
Market value of beneficial interest in perpetual trusts	\$ 3,866,231	\$ 3,101,149
Donor restricted endowment	246,763	246,763
Total	\$ 4,112,994	\$ 3,347,912

The earnings, gains, and losses on net assets with donor restrictions are classified as without donor restriction unless specifically restricted by the donor or by applicable state law.

Revenue recognition

The Association recognizes revenue from contracts with customers in accordance with FASB ASC *Topic 606, Revenue from Contracts with Customers (ASC 606)*.

ASC 606 requires organizations to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which they expect to be entitled in exchange for those goods or services. ASC 606 prescribes the following five-step model for recognizing revenue, the application of which may require significant judgment:

1. Identify the contract(s);
2. Identify the performance obligations in the contract;
3. Determine the transaction price;
4. Allocate the transaction price to the performance obligations in the contract; and
5. Recognize revenue when (or as) the entity satisfies a performance obligation.

This standard also includes expanded disclosure requirements that result in an entity providing users of financial statements with comprehensive information about the nature, amount, timing, and uncertainty of revenue and cash flows arising from the Association’s contracts with customers.

Grant and contributions income

The Association recognizes grants from governmental agencies as contributions in accordance with ASC 958, *Not-for-Profit Entities (Topic 958)*. It requires the Association to determine if a contribution is conditional on the basis of whether an agreement includes a barrier that must be overcome and either a right of return of assets transferred or a right of release of a promisor’s obligation to transfer assets. The grants require the Association to provide services of approximately equal value to the amounts received under the grants.

THE YWCA OF NORTHWEST OHIO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
June 30, 2021 and 2020

Note 2-Summary of significant accounting and reporting policies-continued

Revenue recognition-continued

Grant and contributions income-continued

The Association recognizes funds received as contributions from grants when eligible costs are incurred at a point in time. The grantors may, at their discretion, request reimbursement for unallowed expenses as a result of noncompliance by the Association with the terms of a grant.

Contributed services

Unpaid individuals volunteer their time to perform a variety of tasks in the Association's programs. No amounts have been reflected in the Association's financial statements for these donated services because the services do not meet the criteria for recognition under generally accepted accounting principles.

Amortization

Organizational costs are amortized over the term of the mortgage loan using the straight-line method. Tax credit fees and organization costs will be amortized over the five-year life using the straight-line method.

Advertising

The Association expenses advertising costs as they are incurred. Advertising expenses for the years ended June 30, 2021 and 2020 amounted to \$140,119 and \$63,169, respectively.

Income taxes

The Association is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

YWCA Housing, Inc. is a corporation organized under the laws of the State of Ohio. As of June 30, 2021 and 2020, this entity had no significant activity. No provision or benefit for income taxes has been included in these financial statements for the LLC since taxable income (loss) passes through to, and is reportable by, the partners individually.

Accounting principles generally accepted in the United States of America require management of the Association to determine whether a tax position of the Association is more likely than not to be sustained upon examination by the applicable taxing authority, including resolution of any related appeals or litigation processes, based on the technical merits of the position. Management of the Association is not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly change in the next twelve months. However, management's conclusions may be subject to review and adjustment at a later date based on factors including, but not limited to, new tax laws, regulations, and administrative interpretations (including relevant court decisions). The Association's federal tax returns for the prior three fiscal years remain subject to examination by the Internal Revenue Service.

THE YWCA OF NORTHWEST OHIO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
June 30, 2021 and 2020

Note 2-Summary of significant accounting and reporting policies-continued

New accounting pronouncements

In August 2018, the FASB issued Accounting Standard Update (ASU) 2018-13, Fair Value Measurement (Topic 820): Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement (ASU 2018-13), which modifies the disclosure requirements for fair value measurements by removing, modifying, or adding certain disclosures. ASU 2018-13 eliminates the level three rollforward disclosure, disclosure of the valuation process of level 3 fair value investments, disclosures of the amount or reasons for transfers between level one and level two of the fair value hierarchy, and the policy for the timing of transfers between levels of the fair value hierarchy table. The Association is required to disclose transfers into and out of level three of the fair value hierarchy and purchases and issues of level three assets and liabilities. ASU 2018-13 is effective for all entities for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019. The adoption of ASU 2018-13 did not have a material impact on the financial statements.

In February 2016, FASB issued ASU 2016-02, *Leases (Topic 842)* (ASU 2016-02). ASU 2016-02 will require that a lessee recognize assets and liabilities on the balance sheet for all leases with a lease term of more than twelve months, with the result being the recognition of a right of use asset and a lease liability. Recognition and presentation of expenses will depend on the classification of the lease as either finance or operating. ASU 2016-02 will also require quantitative and qualitative disclosures to supplement the amounts recorded in the financial statements to afford a better understanding of the Association's leasing activities. ASU 2016-02, as amended by ASU 2019-10 and ASU 2020-05, is effective for fiscal years beginning after December 15, 2021 with early adoption permitted and is to be applied retrospectively. The Association is currently evaluating the effect that ASU 2016-02 will have on its consolidated financial statements and related disclosures.

Reclassification

Certain amounts in the prior year's financial statements have been reclassified for comparative purposes to conform to the presentation in the current year's financial statements. These reclassifications had no effect on previously reported results of operations or net assets.

Subsequent events

The Association has evaluated subsequent events through January 24, 2022, which is the date these financial statements were issued and has determined that there are no subsequent events that require recognition or disclosure.

THE YWCA OF NORTHWEST OHIO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
June 30, 2021 and 2020

Note 3—Cash, cash equivalents, and cash restricted as to use

Cash restricted as to use consists of the following amounts held by the LLC at June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Cash – Operating reserve	\$ 145,166	\$ 145,021
Cash – Replacement reserve	190,066	189,876
Total cash restricted as to use	<u>\$ 335,232</u>	<u>\$ 334,897</u>

Cash reserves include the operating and replacement reserve accounts for YWCA Housing, which is required as stated in the LLC agreement. Use of the reserves is restricted as defined in the operating agreement, and therefore they have been excluded from cash in the accompanying statements of financial position and for the statement of cash flow purposes.

The following table provides a reconciliation of cash and cash restricted reported within the statement of financial position that sums to the total of the amount shown in the statement of cash flows.

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 2,092,620	\$ 1,327,620
Cash restricted as to use	335,232	334,897
Total cash, cash equivalents, and cash restricted to use shown in the statement of cash flows	<u>\$ 2,427,852</u>	<u>\$ 1,662,517</u>

Note 4—Toledo Racial Equity and Inclusion Council

During June 2021, the Association in conjunction with other local businesses and the City of Toledo formed Toledo Racial Equity and Inclusion Council (TREIC) to facilitate and develop a community strategy to address the root causes of poverty, dismantle systemic barriers caused by structural racism, and build wealth within communities of color in the Toledo area. TREIC has not been established as a separate legal entity at this time so the Association volunteered to collect funds and make payments on TREIC's behalf until a separate legal entity can be established. During 2021 the Association recognized \$210,000 of revenue and \$92,706 of expenses on behalf of TREIC which is shown in the other changes in net assets portion of the statement of activities in conjunction with the Association's exempt purpose.

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 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy under FASB ASC Topic, *Fair Value Measurement*, are described as follows:

- Level 1. Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Association has the ability to access.

THE YWCA OF NORTHWEST OHIO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
June 30, 2021 and 2020

Note 5—Fair value measurements-continued

Level 2. Inputs to the valuation methodology include:

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

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

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

The asset 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.

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 June 30, 2021 and 2020.

Money Market Funds – valued using amortized cost which approximates fair value.

Mutual Funds – valued at quoted market prices, which represent the net asset value (NAV) of shares held by the Association at year-end. The NAV is based on the fair value of the underlying investments held by the fund, less its liabilities. This practical expedient is not used when it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV.

Common Stock – valued at the closing price reported on the active market on which the individual securities are traded.

State of Israel Bond – valued at the closing price reported in the active market in which the individual security is being traded.

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

THE YWCA OF NORTHWEST OHIO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
June 30, 2021 and 2020

Note 5—Fair value measurements-continued

The following tables set forth, by level, within the fair value hierarchy, the Association's assets carried at fair value:

<u>Description</u>	<u>Total June 30, 2021</u>	<u>Fair Value Measurements at June 30, 2021 Using</u>		
		<u>Quoted Prices in Active Markets for Identical Assets Level (1)</u>	<u>Significant Other Observable Inputs Level (2)</u>	<u>Significant Unobservable Inputs Level (3)</u>
Money market funds	\$ 109	\$ 109	\$ 0	\$ 0
Mutual funds				
Blend funds	1,344,588	1,344,588		
Value funds	788,661	788,661		
Growth funds	856,072	856,072		
Bond funds	59,291	59,291		
Common stock	26,886	26,886		
State of Israel bond	1,000	1,000		
Total investments	<u>\$ 3,076,607</u>	<u>\$ 3,076,607</u>	<u>\$ 0</u>	<u>\$ 0</u>
Perpetual trusts	<u>\$ 4,112,994</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 4,112,994</u>
<u>Description</u>	<u>Total June 30, 2020</u>	<u>Fair Value Measurements at June 30, 2020 Using</u>		
		<u>Quoted Prices in Active Markets for Identical Assets Level (1)</u>	<u>Significant Other Observable Inputs Level (2)</u>	<u>Significant Unobservable Inputs Level (3)</u>
Money market funds	\$ 99	\$ 99	\$ 0	\$ 0
Mutual funds				
Blend funds	620,205	620,205		
Value funds	367,870	367,870		
Growth funds	396,619	396,619		
Bond funds	47,926	47,926		
Common stock	15,917	15,917		
State of Israel bond	1,000	1,000		
Total investments	<u>\$ 1,449,636</u>	<u>\$ 1,449,636</u>	<u>\$ 0</u>	<u>\$ 0</u>
Perpetual trusts	<u>\$ 3,347,912</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 3,347,912</u>

THE YWCA OF NORTHWEST OHIO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
June 30, 2021 and 2020

Note 5–Fair value measurements-continued

The following table presents a reconciliation of beginning and ending balances of Level 3 inputs for the perpetual trusts as of June 30th:

	<u>2021</u>	<u>2020</u>
Beginning balance	\$ 3,347,912	\$ 3,442,603
Net gains (losses) from perpetual trusts	765,082	(94,691)
Ending balance	<u>\$ 4,112,994</u>	<u>\$ 3,347,912</u>

Note 6–Investment income

Income from investments for the years ended June 30, 2021 and 2020 consisted of the following:

	<u>2021</u>	<u>2020</u>
Investment interest and dividends	\$ 60,627	\$ 90,906
Net realized and unrealized gain (loss) on investments	1,288,463	(200,024)
Total	<u>\$ 1,349,090</u>	<u>\$ (109,118)</u>

Note 7–Beneficial interest in perpetual trusts and endowments

Beneficial interest in perpetual trusts held by third parties

The Association is named as the beneficiary of several trusts. All trusts are held by third parties that manage the assets and distribute the earnings to parties as defined in the trust. Under a perpetual term agreement, the Association receives the income (a portion as defined by the trust) earned by the assets but never gains use of the trust corpus. The income received from these trusts does not have any donor-imposed restrictions and, accordingly, has been reported on the statement of activities as unrestricted income.

The beneficial interest has been recognized at the present value of the perpetual stream of income from the assets. Assuming a perfect market for investments, the fair market value will equal the present value of a perpetual stream of income from the assets. Therefore, the trusts have been recognized at their fair value.

The Charitable Trust Funds Act became an Ohio law in September of 1999. This law states that beneficiaries of charitable trusts can elect to receive all trust interest and dividends or an elected percentage, not to exceed five percent, of the total trust value. The Association has elected to receive five percent of the trusts' net assets on three of its beneficiary trusts. Income distributed from the beneficial interest in perpetual trusts for the years ended June 30, 2021 and 2020 was \$247,522 and \$254,437, respectively.

THE YWCA OF NORTHWEST OHIO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
June 30, 2021 and 2020

Note 7–Beneficial interest in perpetual trusts and endowments–continued

Donor restricted endowment

One of the trusts held by the Association is a donor-restricted endowment that consists of contributions totaling \$246,763 as of June 30, 2021 and 2020. There have been no additional donor-restricted contributions to the trust. Under this perpetual trust agreement, the Association receives the income earned by the assets as unrestricted income, but unlike the other perpetual trusts, unrealized gains and income reinvested are unrestricted.

Interpretation of Relevant Law

The Uniform Prudent Management Institutional Funds Act (UPMIFA) was signed into law on January 6, 2009 and became effective June 1, 2009 in the State of Ohio. The Association has interpreted the new law as requiring the preservation of their value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Association classify as perpetual in nature donor-restricted net assets, (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified restricted perpetual in nature is classified as restricted for a time until those amounts are appropriated for expenditure by the Association in a manner consistent with the standard of prudence prescribed in the State of Ohio’s interpretation of the State Prudent Management of Institutional Funds Acts (SPMIFA).

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

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

Return Objective and Risk Parameters

The Association has adopted investment and spending policies for its investments which include its endowment assets. The policy attempts to grow the principal value of the endowment over an extended time frame while seeking to minimize risk through a disciplined diversification strategy. Preservation of capital over the long-term is of primary consideration therefore, principal risk must be minimized. Principal risk is defined as market or systematic risk which is determined by assessing the price volatility of the portfolio. Volatility will be measured through betas against broad market indices, coefficients of variation, standard deviations, and/or other such volatility measures accepted within the investment industry. Additionally, principal risk will be minimized through the establishment of a diversified portfolio among managers, styles and investment sectors. The Association expects its endowment funds, over time, to provide an average rate of return of approximately 8 percent annually. Actual returns in any given year may vary from this amount.

THE YWCA OF NORTHWEST OHIO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
June 30, 2021 and 2020

Note 7–Beneficial interest in perpetual trusts and endowments–continued

Donor restricted endowment–continued

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Association relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Association targets a diversified asset allocation that seeks balance between fixed-income, equity, and alternate class investments to achieve its long-term return objectives within prudent risk constraints and with an additional focus on the preservation of principal.

Spending Policy and how the Investment Objectives Relate to Spending Policy

The Association has a policy of appropriating for distribution each quarter the earnings of the fund which approximates 2% of the fund’s fair value. In establishing this policy, the Association considered the long-term expected return on its endowment. Accordingly, over the long term, the Association expects the current spending policy to allow its endowment to grow at an average of 8% annually. This is consistent with the Association’s objective to maintain the purchasing power of the endowment assets held in perpetuity as well as to provide additional real growth through investment return.

Note 8–Capital campaign

In 2021, the Association launched a capital campaign with a goal to raise \$12 million to fund renovations to the Jefferson Building in order to expand their programming. Capital campaign donations and pledges are restricted for this purpose. As of June 30, 2021, the total cash received during the year amounted to \$275,000 all of which is currently held in net assets with donor restrictions. An additional \$1,000,000 was designated by the board for the capital campaign.

Note 9–Property and equipment

Property and equipment consist of the following at June 30:

	2021	2020
Land and improvements	\$ 691,802	\$ 691,802
Buildings and improvements	12,584,217	12,584,217
Furniture and fixtures	640,696	569,839
Vehicles	119,507	119,507
Total property and equipment	14,036,222	13,965,365
Less accumulated depreciation	(7,924,932)	(7,472,717)
Net property and equipment	<u>\$ 6,111,290</u>	<u>\$ 6,492,648</u>

THE YWCA OF NORTHWEST OHIO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
June 30, 2021 and 2020

Note 10–Debt

The Association has a \$250,000 unsecured revolving line of credit with a bank, with interest on amounts borrowed at .5% below the prime rate (effective rate of 2.75% at June 30, 2021 and 2020). Total borrowings amounted to \$0 as of June 30, 2021 and 2020.

The Association has an available line of credit with Edward Jones in an amount of up to 50% of the total investment value held through Edward Jones. The available balance at June 30, 2021 and 2020 was \$1,371,640 and \$653,075 with interest on amounts borrowed at 3.25% and 4.75%, respectively. Total borrowings amounted to \$0 as of June 30, 2021 and 2020.

During May 2020, the Association received an unsecured loan from the SBA under the Paycheck Protection Program (PPP) in the amount of \$620,100 at a fixed rate of interest of 1%. The Association was able to apply for forgiveness under the assumption that the proceeds were used to pay for specific expenses as described in the note and as permitted by the CARES act. The Association used the PPP loan for qualifying expenses and partial forgiveness was received in June 2021. The Association recognized \$307,907 and \$144,893 of forgiveness income for qualified expenses during the year ended June 30, 2021 and 2020, respectively. In August 2021, the portion of the loan not forgiven was refinanced with the bank holding the loan to extend the maturity until May 2025 at an interest rate of 1%. The current portion of the remaining liability at June 30, 2021, was \$39,904 and the long-term portion was \$127,396 on the statement of financial position.

Maturities of notes payable are as follows:

Year ending June 30,	Amount
2022	\$ 39,904
2023	43,951
2024	44,393
2025	39,052
Total	<u>\$ 167,300</u>

Note 11–Multiemployer cash balance defined benefit retirement plan

The Young Women’s Christian Association Retirement Fund, Inc. (the Fund) is a multiple-employer cash balance defined benefit pension plan. Each participant has a cash balance, which is a hypothetical account to which contribution and interest credits are made monthly. The Association contributes on each qualified employee’s behalf amounts that are set by the Board of the Fund, which was 5% of employee wages in 2021 and 2020. Besides contributions and interest credits, other components of a participant's account consist of Fund matching contributions of 2%, in 2021 and 2020, and optional employee after-tax contributions, only if the employee qualifies and chooses to make them. The optional after-tax contribution rate is currently limited to ten percent of gross compensation. The Association’s expense under the plan for the years ended June 30, 2021 and 2020 amounted to \$94,910 and \$96,357, respectively. While contributions are based on fixed hourly rates, federal laws (the Employee Retirement Income Security Act of 1974 as amended by the Multiemployer Pension Plan Amendments Act of 1980) impose certain contingent liabilities on contributors to multiemployer plans such as this.

THE YWCA OF NORTHWEST OHIO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
June 30, 2021 and 2020

Note 11—Multiemployer cash balance defined benefit retirement plan—continued

The risks of participating in multiemployer pension plans are different from single-employer plans. Assets contributed to a multiemployer plan by one employer may be used to provide benefits to employees of other participating employers. If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining part cash balance participating employers.

In the event of withdrawal from the plan and under certain other conditions, a contributor to a multiemployer plan may be liable to the plan in accordance with formulas established by law. The position of the Association relative to other contributors to the multiemployer plan has not been determined with respect to plan assets and accumulated benefits.

The Association’s participation in the multiemployer plan for the years ended June 30, 2021 and 2020 is outlined in the table below. The “EIN/PN” column provides the Employee Identification Number (EIN) and the three-digit plan number (PN). The most recent Pension Protection Act zone status available for 2021 and 2020 is for the plan years as indicated below. The zone status is based on information that the Association received from the plan and is certified by the plan’s actuary. Among other factors, plans in the red zone are generally less than 65 percent funded, plans in the yellow zone are between 65 percent and 80 percent funded, and plans in the green zone are at least 80 percent funded. The “FIP/RP Status Pending/Implemented” column indicates whether a financial improvement plan (FIP) or a rehabilitation plan (RP) is either pending or has been implemented. In addition to regular plan contributions, the Association may be subject to a surcharge if the plan is in the red zone. The “Surcharge Imposed” column indicates whether a surcharge has been imposed on contributions to the plan. The last column lists the expiration date of the collective bargaining agreement to which the plan is subject.

Pension Plan	EIN/PN	Pension Protection Act Zone Status		FIP/RP Status Pending/Implemented	Contributions by the Association		Surcharge Imposed	Expiration Date of Collective Bargaining Agreement
		2021	2020		2021	2020		
YWCA Retirement Fund	13-1624231	Green	Green	No	\$94,910	\$96,357	No	N/A

THE YWCA OF NORTHWEST OHIO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
June 30, 2021 and 2020

Note 12—Lease commitments and rent expense

The Association leases office space and equipment under noncancelable operating leases. Monthly payments for these leases range from \$35 to \$3,095 per month. The lease terms expire at various times between September 2021 and January 2026.

The following is a schedule of future minimum rental payments required under operating leases that have initial or remaining non-cancelable lease terms in excess of one year as of June 30, 2021:

Year ending June 30	Amount
2022	\$ 85,309
2023	55,549
2024	10,935
2025	3,284
2026	1,259
Total	<u>\$ 156,336</u>

Total rent expense under operating leases was \$102,761 and \$102,497 for the years ended June 30, 2021 and 2020, respectively.

Note 13—Related party transactions

The Association used certain low-income housing tax credits to develop, rehabilitate, construct, own, lease and operate 43 new construction and 22 rehabilitated housing units to be used as permanent supportive housing for low and moderate-income families, which is run by the LLC. The building was completed and placed into rental operations during 2010. The Association entered into an amended agreement to lease a portion of its building and land to the LLC. As part of the amended lease agreements, annual rent of approximately \$26,000 and increasing by 3% annually, is payable to the Association from available cash flow, as defined, for a term of ninety-nine years from the commencement date of the lease. In addition, the Association earned a developer fee totaling \$1,100,000 related to the development of this project. The Association used \$645,000 of the development fee as a portion of the Association’s capital contribution to the LLC and the remaining \$455,000 was payable to the Association. As of June 30, 2021 and 2020, \$67,878 was still outstanding to be collected.

In connection with the YWCA Housing Project, the Association received grants from the City of Toledo Department of Neighborhoods: Home Investment Partnership Program, the Housing Development Assistance Program (HDAP) and the Federal Home Loan Bank of Cincinnati (FHLB) totaling \$2,138,790. The Association passed these grants to the LLC, \$1,400,000 for the Association’s capital contribution to the LLC and \$738,790 as a note payable due from the LLC. The balance of this note payable was \$738,790 at June 30, 2021 and 2020. The note payable accrues deferred interest at 4.53% and the principal and deferred interest is due on October 30, 2038. In addition to the two capital contributions discussed above, the Association made additional capital contributions of \$5,000, resulting in a total investment by the Association in the LLC of \$2,050,000.

THE YWCA OF NORTHWEST OHIO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
June 30, 2021 and 2020

Note 14—YWCA Housing, LLC net assets and limited partner capital contribution note receivable

As discussed in Note 1, the YWCA Housing, LLC has one Managing Member, YWCA Housing, Inc., which has a 0.01% interest; and one Limited Partner, Ohio Equity Fund for Housing Limited Partnership XVIII, which has a 99.99% interest.

The components of net assets at June 30, of the LLC, are as follows:

	2021	2020
Limited partner capital contribution	\$ 7,583,147	\$ 7,583,147
Accumulated rental losses	(5,162,062)	(4,765,070)
Syndication costs	(15,800)	(15,800)
Net assets – the LLC	\$ 2,405,285	\$ 2,802,277

Note 15—Contingencies and risks

The Association received substantial financial assistance from various governmental agencies, primarily the Department of Health and Human Services, in the form of grants. Grants are awarded on an annual basis, and there is no assurance as to their future continuance or the amounts to be awarded. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed amounts resulting from such audits could become a liability of the Association. However, in the opinion of management, disallowed amounts, if any, will not have a material adverse effect on the financial position of the Association at June 30, 2021 and 2020.

The Association invests in various investment securities. Investments are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in the statements of financial position.

In the normal course of operations, the Association may be subject to various tax issues. While the outcome of any such matters cannot presently be determined, management believes that their ultimate resolution will not have a material adverse effect on the accompanying financial statements.

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen as of the date of the consolidated financial statements. The extent of the impact of COVID-19 on the Association’s operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, the impact on the Association’s grantors, customers, employees, and vendors, all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact the Association’s financial condition or results of operations is uncertain.

THE YWCA OF NORTHWEST OHIO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
June 30, 2021 and 2020

Note 16–Liquidity and availability of financial assets

YWCA’s financial assets available within one year of the statement of financial position date for general expenditures are as follows at June 30:

	2021	2020
Cash and cash equivalents	\$ 2,092,620	\$ 1,327,620
Grants receivable	1,204,295	740,974
Accounts receivable, net of allowance	14,695	24,491
Promise to give	180,898	123,661
Investments	3,076,607	1,449,636
Total financial assets	6,569,115	3,666,382
Less assets with restrictions:		
Purpose and time-restricted	(573,740)	(124,209)
Board designated	(2,505,390)	(1,059,386)
Total assets with restrictions	(3,079,130)	(1,183,595)
Total assets available for general expenditures within one year	\$ 3,489,985	\$ 2,482,787

The following reflects YWCA’s financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual restrictions within one year of the statement of financial position date or asset classification. YWCA has certain board-designated assets that are designated for future capital expenditures or use in a specific region. These assets are limited to use, are not available for general expenditure within the next year. However, the board-designated amounts could be made available, if necessary. There are reserves established by YWCA Housing as discussed in Note 3 that are available and can be drawn upon in the event immediate cash flow needs arise for operating purposes which are excluded from the amounts above. To additionally manage liquidity, YWCA has multiple lines of credit (as described in Note 10) available.

Note 17–Methods used for the allocation of expenses between program and management and general

The financial statements report certain categories of expenses that are attributable to the program or management and general functions of YWCA. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Most expenses are charged directly to program services or on specific identification using cost centers. Salaries and related expenses are charged to the various categories of programs or management and general on the basis of the actual or estimated time devoted to these activities. Administrative expenses have been allocated to program services and management and general based on budgeted full-time equivalents on an annual basis. Occupancy expense has been allocated based on the square footage occupied in the building by each program.

SUPPLEMENTARY INFORMATION

THE YWCA OF NORTHWEST OHIO
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
June 30, 2021

	<u>YWCA</u>	<u>HOUSING</u>	<u>CONSOLIDATED</u>	<u>ELIMINATIONS</u>	<u>TOTALS</u>
Assets					
Cash and cash equivalents	\$ 2,038,312	\$ 54,308	\$ 2,092,620	\$ 0	\$ 2,092,620
Housing reserves		335,232	335,232		335,232
Investments	3,076,607		3,076,607		3,076,607
Grants receivable	1,547,991		1,547,991	(343,696)	1,204,295
Accounts receivable, net of allowance		14,695	14,695		14,695
Related party receivables	1,258,363		1,258,363	(1,258,363)	0
Promise to give	180,898		180,898		180,898
Investment in housing project	2,050,000		2,050,000	(2,050,000)	0
Prepaid expenses and other assets	26,111	(2,810)	23,301		23,301
Property and equipment, net of accumulated depreciation of \$7,924,932	1,116,535	5,631,358	6,747,893	(636,603)	6,111,290
Beneficial interest in perpetual trusts	4,112,994		4,112,994		4,112,994
	<u>\$ 15,407,811</u>	<u>\$ 6,032,783</u>	<u>\$ 21,440,594</u>	<u>\$ (4,288,662)</u>	<u>\$ 17,151,932</u>
Liabilities					
Accounts payable	\$ 121,111	\$ 50,623	\$ 171,734	\$ 0	\$ 171,734
Paycheck Protection Program loan - current portion	39,904		39,904		39,904
Accrued payroll, compensated absences, and payroll taxes	442,452	3,137	445,589		445,589
Other accrued expenses	3,570	911,486	915,056	(863,269)	51,787
Refundable advances	251,894		251,894		251,894
Note payable		738,790	738,790	(738,790)	0
Paycheck Protection Program loan - long term portion	127,396		127,396		127,396
Total liabilities	<u>986,327</u>	<u>1,704,036</u>	<u>2,690,363</u>	<u>(1,602,059)</u>	<u>1,088,304</u>
Net assets					
Without donor restrictions					
Undesignated	4,043,038		4,043,038	(763,141)	3,279,897
Board designated					
For capital improvements	644,681		644,681		644,681
For YWCA of Lima operations	791,706		791,706		791,706
For capital campaign	1,000,000		1,000,000		1,000,000
Net investment in property and equipment	1,116,535		1,116,535		1,116,535
Net investment in YWCA Housing, LLC		4,328,747	4,328,747	(1,923,462)	2,405,285
Total net assets without donor restrictions	<u>7,595,960</u>	<u>4,328,747</u>	<u>11,924,707</u>	<u>(2,686,603)</u>	<u>9,238,104</u>
With donor restrictions					
Purpose and time restricted	2,712,530		2,712,530		2,712,530
Perpetual in nature	4,112,994		4,112,994		4,112,994
Total net assets	<u>14,421,484</u>	<u>4,328,747</u>	<u>18,750,231</u>	<u>(2,686,603)</u>	<u>16,063,628</u>
Total liabilities and net assets	<u>\$ 15,407,811</u>	<u>\$ 6,032,783</u>	<u>\$ 21,440,594</u>	<u>\$ (4,288,662)</u>	<u>\$ 17,151,932</u>

THE YWCA OF NORTHWEST OHIO
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
June 30, 2020

	<u>YWCA</u>	<u>HOUSING</u>	<u>CONSOLIDATED</u>	<u>ELIMINATIONS</u>	<u>TOTALS</u>
Assets					
Cash and cash equivalents	\$ 1,263,334	\$ 64,286	\$ 1,327,620	\$ 0	\$ 1,327,620
Housing reserves		334,897	334,897		334,897
Investments	1,449,636		1,449,636		1,449,636
Grants receivable	1,050,568		1,050,568	(309,594)	740,974
Accounts receivable, net of allowance		24,491	24,491		24,491
Related party receivables	1,205,928		1,205,928	(1,205,928)	0
Promise to give	123,661		123,661		123,661
Investment in housing project	2,050,000		2,050,000	(2,050,000)	0
Prepaid expenses and other assets	26,710	(2,810)	23,900		23,900
Property and equipment, net of accumulated depreciation of \$7,472,717	1,180,996	5,988,255	7,169,251	(676,603)	6,492,648
Beneficial interest in perpetual trusts	3,347,912		3,347,912		3,347,912
	<u>\$ 11,698,745</u>	<u>\$ 6,409,119</u>	<u>\$ 18,107,864</u>	<u>\$ (4,242,125)</u>	<u>\$ 13,865,739</u>
Liabilities					
Accounts payable	\$ 140,915	\$ 118,797	\$ 259,712	\$ 0	\$ 259,712
Paycheck Protection Program loan - current portion	228,256		228,256		228,256
Accrued payroll, compensated absences, and payroll taxes	438,374	4,228	442,602		442,602
Other accrued expenses	3,583	818,522	822,105	(776,732)	45,373
Refundable advances	278,450		278,450		278,450
Notes payable		738,790	738,790	(738,790)	0
Paycheck Protection Program loan - long term portion	246,951		246,951		246,951
Total liabilities	<u>1,336,529</u>	<u>1,680,337</u>	<u>3,016,866</u>	<u>(1,515,522)</u>	<u>1,501,344</u>
Net assets					
Without donor restrictions					
Undesignated	2,510,923		2,510,923	(800,098)	1,710,825
Board designated					
For capital improvements	463,433		463,433		463,433
For YWCA of Lima operations	595,953		595,953		595,953
Net investment in property and equipment	1,180,996		1,180,996		1,180,996
Net investment in YWCA Housing, LLC		4,728,782	4,728,782	(1,926,505)	2,802,277
Total net assets without donor restrictions	<u>4,751,305</u>	<u>4,728,782</u>	<u>9,480,087</u>	<u>(2,726,603)</u>	<u>6,753,484</u>
With donor restrictions					
Purpose and time restricted	2,262,999		2,262,999		2,262,999
Perpetual in nature	3,347,912		3,347,912		3,347,912
Total net assets	<u>10,362,216</u>	<u>4,728,782</u>	<u>15,090,998</u>	<u>(2,726,603)</u>	<u>12,364,395</u>
Total liabilities and net assets	<u>\$ 11,698,745</u>	<u>\$ 6,409,119</u>	<u>\$ 18,107,864</u>	<u>\$ (4,242,125)</u>	<u>\$ 13,865,739</u>

THE YWCA OF NORTHWEST OHIO
CONSOLIDATING STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2021

	<u>YWCA</u>	<u>HOUSING</u>	<u>CONSOLIDATED</u>	<u>ELIMINATIONS</u>	<u>TOTALS</u>
Public support					
Government grants	\$ 3,267,672	\$ 0	\$ 3,267,672	\$ 0	\$ 3,267,672
Nongovernmental grants	80,278		80,278		80,278
Foundation and trusts contributions	308,723		308,723		308,723
Other contributions	2,421,425		2,421,425		2,421,425
United Way	180,898		180,898		180,898
Total public support	<u>6,258,996</u>	<u>0</u>	<u>6,258,996</u>	<u>0</u>	<u>6,258,996</u>
Program service fees and other revenue					
Program service fees	313,796		313,796		313,796
Performance incentives	61,000		61,000		61,000
Special events	134,723		134,723		134,723
Rental income	44,902		44,902	(34,102)	10,800
Investment gain	584,008		584,008		584,008
Distribution from perpetual trusts	247,522		247,522		247,522
Net realized and unrealized gain on investments and beneficial interest in perpetual trusts	765,082		765,082		765,082
Other	55,070		55,070	(52,436)	2,634
Total program service fees and other revenue	<u>2,206,103</u>	<u>0</u>	<u>2,206,103</u>	<u>(86,538)</u>	<u>2,119,565</u>
Total support and revenue	8,465,099	0	8,465,099	(86,538)	8,378,561
Functional expenses					
Program services	4,543,622		4,543,622		4,543,622
Management and general	247,148		247,148		247,148
Fundraising	40,262		40,262		40,262
Total functional expenses	<u>4,831,032</u>	<u>0</u>	<u>4,831,032</u>	<u>0</u>	<u>4,831,032</u>
Total operating income	3,634,067	0	3,634,067	(86,538)	3,547,529
Other changes in net assets					
Paycheck Protection Program loan forgiveness	307,907		307,907		307,907
TREIC - net activity	117,294		117,294		117,294
Net rental activity		(400,035)	(400,035)	126,538	(273,497)
Total other changes in net assets	<u>425,201</u>	<u>(400,035)</u>	<u>25,166</u>	<u>126,538</u>	<u>151,704</u>
Change in net assets	4,059,268	(400,035)	3,659,233	40,000	3,699,233
Net assets at beginning of year	<u>10,362,216</u>	<u>4,728,782</u>	<u>15,090,998</u>	<u>(2,726,603)</u>	<u>12,364,395</u>
Net assets at end of year	<u>\$ 14,421,484</u>	<u>\$ 4,328,747</u>	<u>\$ 18,750,231</u>	<u>\$ (2,686,603)</u>	<u>\$ 16,063,628</u>

THE YWCA OF NORTHWEST OHIO
CONSOLIDATING STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2020

	<u>YWCA</u>	<u>HOUSING</u>	<u>CONSOLIDATED</u>	<u>ELIMINATIONS</u>	<u>TOTALS</u>
Public support					
Government grants	\$ 3,831,321	\$ 0	\$ 3,831,321	\$ 0	\$ 3,831,321
Nongovernmental grants	91,732		91,732		91,732
Foundation and trusts contributions	135,077		135,077		135,077
Other contributions	452,769		452,769		452,769
United Way	123,661		123,661		123,661
Total public support	<u>4,634,560</u>	<u>0</u>	<u>4,634,560</u>	<u>0</u>	<u>4,634,560</u>
Program service fees and other revenue					
Program service fees	260,950		260,950		260,950
Performance incentives	126,000		126,000		126,000
Special events	156,405		156,405		156,405
Rental income	44,058		44,058	(33,109)	10,949
Investment loss	(14,427)		(14,427)		(14,427)
Distribution from perpetual trusts	254,437		254,437		254,437
Net realized and unrealized loss on investments and beneficial interest in perpetual trusts	(94,691)		(94,691)		(94,691)
Other	96,452		96,452	(50,386)	46,066
Total program service fees and other revenue	<u>829,184</u>	<u>0</u>	<u>829,184</u>	<u>(83,495)</u>	<u>745,689</u>
Total support and revenue	5,463,744	0	5,463,744	(83,495)	5,380,249
Functional expenses					
Program services	4,728,369		4,728,369		4,728,369
Management and general	230,138		230,138		230,138
Fundraising	54,375		54,375		54,375
Total functional expenses	<u>5,012,882</u>	<u>0</u>	<u>5,012,882</u>	<u>0</u>	<u>5,012,882</u>
Total operating income	450,862	0	450,862	(83,495)	367,367
Other changes in net assets					
Paycheck Protection Program loan forgiveness	144,893		144,893		144,893
Net rental activity		(386,612)	(386,612)	123,495	(263,117)
Total other changes in net assets	<u>144,893</u>	<u>(386,612)</u>	<u>(241,719)</u>	<u>123,495</u>	<u>(118,224)</u>
Change in net assets	595,755	(386,612)	209,143	40,000	249,143
Net assets at beginning of year	<u>9,766,461</u>	<u>5,115,394</u>	<u>14,881,855</u>	<u>(2,766,603)</u>	<u>12,115,252</u>
Net assets at end of year	<u>\$ 10,362,216</u>	<u>\$ 4,728,782</u>	<u>\$ 15,090,998</u>	<u>\$ (2,726,603)</u>	<u>\$ 12,364,395</u>

THE YWCA OF NORTHWEST OHIO
UNCONSOLIDATED SCHEDULES OF YWCA HOUSING GRANT REVENUE
AND NET RENTAL ACTIVITY
For the Years Ended June 30, 2021 and 2020

	2021	2020
Net rental activity		
Income		
Rental income	\$ 407,993	\$ 383,031
Other income	2,058	16,871
Total income	410,051	399,902
 Operating expenses		
Office wages, payroll taxes and benefits	111,841	89,441
Utilities	84,196	89,799
Repairs & maintenance	68,195	69,406
Management fee	44,638	42,050
Land rental expense	34,102	33,109
Bad debt	18,902	8,610
Office expenses	11,797	9,734
Property Tax	9,578	9,496
Janitorial	9,174	17,246
Professional fees	6,876	9,577
Telephone	1,500	1,520
Computer Support	12	87
Total operating expenses	400,811	380,075
Operating income before depreciation and interest expenses	9,240	19,827
Depreciation	356,839	356,053
Interest	52,436	50,386
Net loss	\$ (400,035)	\$ (386,612)

**THE YWCA OF NORTHWEST OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2021**

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Passed Through to Subrecipients</u>	<u>Total Federal Expenditures</u>
Department of Health and Human Services				
<i>Pass-Through Programs From:</i>				
State of Ohio Department of Job and Family Services:				
Statewide Child Care Resource and Referral Services Grant #1	93.575	G-2021-17-0154	No	\$ 702,198
Statewide Child Care Resource and Referral Services Grant #7	93.575	G-2021-17-0155	No	471,506
Statewide Child Care Resource and Referral Services Grant #12	93.575	G-2021-17-0156	No	460,388
Child Care Resource and Referral Services Grant Technical Assistance #1	93.434	G-2021-17-0202	No	12,410
Child Care Resource and Referral Services Grant Technical Assistance #7	93.434	G-2021-17-0210	No	6,910
Child Care Resource and Referral Services Grant Technical Assistance #12	93.434	G-2021-17-0214	No	12,310
				<u>1,665,722</u>
Lucas County Department of Job and Family Services:				
Reducing the Risk & Teen Outreach Program	93.558	48-20-TANF-02	No	190,413
Reducing the Risk & Teen Outreach Program	93.558	48-21-TANF-02	No	327,692
				<u>518,105</u>
Ohio Office of Criminal Justice Services:				
Family Violence and Prevention Services Act	93.671	2020-VP-001-4053	No	68,000
Coronavirus Aid, Relief & Economic Security Act and Family Violence Prevention Services Act	93.671 – COVID	2020-CA-001-434	No	29,315
				<u>97,315</u>
Total Pass-Through From Department of Health and Human Services				\$ <u>2,281,142</u>

THE YWCA OF NORTHWEST OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED
For the Year Ended June 30, 2021

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Passed Through to Subrecipients</u>	<u>Total Federal Expenditures</u>
Department of Justice				
<i>Pass-Through Programs From:</i>				
Ohio Attorney General's Office:				
Crisis Intervention	16.575	2020-VOCA-132922301	No	\$ 289,049
Crisis Intervention	16.575	2021-VOCA-134144979	No	295,118
				<u>584,167</u>
Lucas County Criminal Justice Coordinating Council:				
Violence Against Women	16.588	2019-WF-VA5-8843	No	34,679
Ohio Department of Health:				
Sexual Assault Services Formula	16.017	04860072SA0720	No	4,400
Total Pass-Through From Department of Justice				<u>623,246</u>
Department of the Treasury				
<i>Pass-Through Programs From:</i>				
Ohio Attorney General's Office:				
Coronavirus Relief Fund	21.019	2020-CARES-47	No	42,684
Total Pass-Through From Department of the Treasury				<u>42,684</u>
Total Expenditures of Federal Awards				<u>\$ 2,947,072</u>

See Notes to the Schedule of Expenditures of Federal Awards.

The accompanying note is an integral part of this schedule.

YWCA OF NORTHWEST OHIO
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2021

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards includes all federal award activity of The YWCA of Northwest Ohio. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

Note 2 - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the United States generally accepted accounting principles basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3 - Indirect Cost Rate

The YWCA of Northwest Ohio has elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

INDEPENDENT AUDITOR'S 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

Board of Trustees
The YWCA of Northwest Ohio
Toledo, Ohio

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 as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise The YWCA of Northwest Ohio's basic financial statements, and have issued our report thereon January 24, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered The YWCA of Northwest Ohio's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of The YWCA of Northwest Ohio's internal control. Accordingly, we do not express an opinion on the effectiveness of The YWCA of Northwest Ohio'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 Association'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 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 that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether The YWCA of Northwest Ohio's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 of Northwest Ohio'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 of Northwest Ohio's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Gilmore Jasion Mahler, LTD

Maumee, Ohio
January 24, 2022

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

Board of Trustees
The YWCA of Northwest Ohio
Toledo, Ohio

Report on Compliance for Each Major Federal Program

We have audited The YWCA of Northwest Ohio's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of The YWCA of Northwest Ohio's major federal programs for the year ended June 30, 2021. The YWCA of Northwest Ohio's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of The YWCA of Northwest Ohio's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about The YWCA of Northwest Ohio's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of The YWCA of Northwest Ohio's compliance.

Opinion on Each Major Federal Program

In our opinion, The YWCA of Northwest Ohio complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of The YWCA of Northwest Ohio is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered The YWCA of Northwest Ohio's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of The YWCA of Northwest Ohio's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Gilmore Jasion Mahler, LTD

Maumee, Ohio
January 24, 2022

**THE YWCA OF NORTHWEST OHIO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2021**

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified that are not considered to be material weakness(es)?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified that are not considered to be material weakness(es)?	None reported
Type of auditors' report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)?	No

Identification of Major Programs

<u>Assistance Listing Number</u>	<u>Name of Federal Program</u>
16.575	Crime Victim Assistance
93.575	Child Care and Development Block Grant

Dollar threshold used to distinguish between type A and type B programs	\$750,000
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Did the auditee qualify as a low-risk auditee?	Yes
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Section II - Financial Statement Findings

None

Section III – Federal Award Findings and Questioned Costs

None

THE YWCA OF NORTHWEST OHIO
SCHEDULE OF STATUS OF PRIOR YEAR (2020) AUDIT FINDINGS
For the Year Ended June 30, 2021

No findings were reported during the prior period.