

YWCA of Greater Cincinnati, Inc. and YWCA Development Corporation

**Combined Financial Statements with
Supplementary Information
December 31, 2019 and 2018 and
Independent Auditors' Report**

YWCA OF GREATER CINCINNATI, INC. AND YWCA DEVELOPMENT CORPORATION

December 31, 2019 and 2018

Contents

	<u>Page(s)</u>
Independent Auditors' Report	1 - 2
Financial Statements:	
Combined Statements of Financial Position	3
Combined Statements of Activities	4 - 5
Combined Statements of Functional Expenses	6 - 7
Combined Statements of Cash Flows	8
Notes to Combined Financial Statements	9 – 21
Supplementary Information:	
Schedule of Expenditures of Federal Awards	22 – 24
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	25 – 26
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance required by the Uniform Guidance	27 – 28
Schedule of Findings and Questioned Costs	29
Summary Schedule of Prior Audit Findings	30

Independent Auditors' Report

The Board of Trustees
YWCA of Greater Cincinnati, Inc. and YWCA Development Corporation

Report on the Financial Statements

We have audited the accompanying combined financial statements of YWCA of Greater Cincinnati, Inc. and YWCA Development Corporation (collectively, the Organization), which comprise the combined statements of financial position as of December 31, 2019 and 2018, and the related combined statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the combined financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these combined 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 combined financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these combined 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 audit to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the combined 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 Organization'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 combined financial statements.

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

Opinion

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of YWCA of Greater Cincinnati, Inc. and YWCA Development Corporation as of December 31, 2019 and 2018, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Independent Auditors' Report
(Continued)**

Effect of Adopting New Accounting Standard

As discussed in Note 1, YWCA of Greater Cincinnati, Inc. and YWCA Development Corporation have adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2018-08, *Not-For-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. Our opinion is not modified with respect to that matter.

Other Information

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the combined 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 combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined 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 combined 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 June 30, 2020, on our consideration YWCA of Greater Cincinnati, Inc. and YWCA Development Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering YWCA of Greater Cincinnati, Inc. and YWCA Development Corporation's internal control over financial reporting and compliance.

Barnes, Dennig & Co., Ltd.

June 30, 2020
Cincinnati, Ohio

YWCA OF GREATER CINCINNATI, INC. AND YWCA DEVELOPMENT CORPORATION

**Combined Statements of Financial Position
December 31, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
Assets		
Cash and cash equivalents	\$ 84,246	\$ 93,348
Accounts receivable, net	539,180	714,221
Contributions receivable, net	846,093	982,592
Investments	8,781,582	7,627,050
Property and equipment, net	3,146,662	3,067,771
Other assets	81,936	117,658
Note receivable, net of allowance of \$442,617 and \$399,400 in 2019 and 2018, respectively	1,545,383	1,588,600
Beneficial interest in perpetual trusts	<u>1,410,154</u>	<u>1,265,929</u>
Total assets	<u><u>\$ 16,435,236</u></u>	<u><u>\$ 15,457,169</u></u>
Liabilities and Net Assets		
Liabilities		
Accounts payable	\$ 262,429	\$ 242,826
Accrued payroll	306,944	227,724
Line of credit	169,700	592,500
Other liabilities	34,893	46,165
Obligations under capital lease	<u>1,545,383</u>	<u>1,588,600</u>
Total liabilities	<u>2,319,349</u>	<u>2,697,815</u>
Net Assets		
Without donor restrictions:		
Net investment in property and equipment	3,146,662	3,067,771
Board-designated endowment funds	2,967,518	2,366,807
Board-designated contingency fund	235,000	-
Operating	<u>(344,957)</u>	<u>(253,703)</u>
Total net assets without donor restrictions	6,004,223	5,180,875
With donor restrictions	<u>8,111,664</u>	<u>7,578,479</u>
Total net assets	<u>14,115,887</u>	<u>12,759,354</u>
Total liabilities and net assets	<u><u>\$ 16,435,236</u></u>	<u><u>\$ 15,457,169</u></u>

See accompanying notes to combined financial statements

YWCA OF GREATER CINCINNATI, INC. AND YWCA DEVELOPMENT CORPORATION

**Combined Statement of Activities
Year Ended December 31, 2019**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Operating revenues and other support			
United Way	\$ 31,877	\$ 450,600	\$ 482,477
Government and other grants	3,544,511	838,177	4,382,688
Contributions	1,463,095	140,816	1,603,911
Special events	515,317	65,175	580,492
Program service fees and membership dues	290,757	14,500	305,257
Other	(3,679)	-	(3,679)
Net assets released from purpose and time restrictions	<u>2,032,424</u>	<u>(2,032,424)</u>	<u>-</u>
Total operating revenues and other support	<u>7,874,302</u>	<u>(523,156)</u>	<u>7,351,146</u>
Expenses			
Program services:			
Health and safety	5,132,471	-	5,132,471
Economic empowerment	778,107	-	778,107
Recognition and inclusion	<u>703,516</u>	<u>-</u>	<u>703,516</u>
Total program services	6,614,094	-	6,614,094
Management and general	570,877	-	570,877
Fundraising	<u>393,531</u>	<u>-</u>	<u>393,531</u>
Total operating expenses	<u>7,578,502</u>	<u>-</u>	<u>7,578,502</u>
Change in net assets before nonoperating revenues	<u>295,800</u>	<u>(523,156)</u>	<u>(227,356)</u>
Nonoperating revenues			
Investment return, net	527,548	912,116	1,439,664
Change in beneficial interest in trust	<u>-</u>	<u>144,225</u>	<u>144,225</u>
Total nonoperating revenues	<u>527,548</u>	<u>1,056,341</u>	<u>1,583,889</u>
Change in net assets	823,348	533,185	1,356,533
Net assets, beginning of year	<u>5,180,875</u>	<u>7,578,479</u>	<u>12,759,354</u>
Net assets, end of year	<u><u>\$ 6,004,223</u></u>	<u><u>\$ 8,111,664</u></u>	<u><u>\$ 14,115,887</u></u>

See accompanying notes to combined financial statements

YWCA OF GREATER CINCINNATI, INC. AND YWCA DEVELOPMENT CORPORATION

**Combined Statement of Activities
Year Ended December 31, 2018**

	Without Donor Restrictions	With Donor Restrictions	Total
Operating revenues and other support			
United Way	\$ 52,091	\$ 625,606	\$ 677,697
Government and other grants	2,944,422	1,095,622	4,040,044
Contributions	384,467	109,159	493,626
Special events	694,213	87,850	782,063
Program service fees and membership dues	320,103	36,500	356,603
Other	35,404	-	35,404
Net assets released from purpose and time restrictions	2,241,818	(2,241,818)	-
Total operating revenues and other support	6,672,518	(287,081)	6,385,437
Expenses			
Program services:			
Health and safety	4,733,650	-	4,733,650
Economic empowerment	1,412,206	-	1,412,206
Recognition and inclusion	789,450	-	789,450
Total program services	6,935,306	-	6,935,306
Management and general	571,822	-	571,822
Fundraising	294,481	-	294,481
Total expenses	7,801,609	-	7,801,609
Change in net assets before nonoperating revenues	(1,129,091)	(287,081)	(1,416,172)
Nonoperating revenues			
Investment return, net	(83,682)	(246,234)	(329,916)
Change in beneficial interest in trust	-	(135,961)	(135,961)
Total nonoperating revenues	(83,682)	(382,195)	(465,877)
Change in net assets	(1,212,773)	(669,276)	(1,882,049)
Net assets, beginning of year	6,393,648	8,247,755	14,641,403
Net assets, end of year	\$ 5,180,875	\$ 7,578,479	\$ 12,759,354

See accompanying notes to combined financial statements

YWCA OF GREATER CINCINNATI, INC. AND YWCA DEVELOPMENT CORPORATION

**Combined Statement of Functional Expenses
Year Ended December 31, 2019**

	Program Services				Management and General	Fundraising	Total
	Health & Safety	Economic Empowerment	Recognition & Inclusion	Total Program Services			
Salaries	\$ 2,865,153	\$ 448,420	\$ 324,432	\$ 3,638,005	\$ 159,438	\$ 227,377	\$ 4,024,820
Employee benefits	355,007	71,174	33,430	459,611	99,004	26,675	585,290
Payroll taxes	166,802	20,958	20,099	207,859	41,392	12,015	261,266
Professional fees and contract services	545,290	80,417	195,718	821,425	73,394	105,247	1,000,066
Assistance to individuals	325,236	2,004	-	327,240	-	-	327,240
Occupancy	231,635	30,265	3,461	265,361	52,856	(152)	318,065
Depreciation	196,740	56,247	5,640	258,627	34,106	104	292,837
Supplies	127,615	15,415	77,765	220,795	4,673	(3,780)	221,688
Miscellaneous	81,782	8,613	23,446	113,841	35,016	10,714	159,571
Transportation	62,163	25,507	795	88,465	2,932	549	91,946
Conferences and conventions	64,945	2,964	1,206	69,115	13,238	2,544	84,897
Maintenance	54,836	10,532	1,374	66,742	8,029	(171)	74,600
Telephone	44,961	5,337	2,182	52,480	5,834	1,451	59,765
Regional dues	-	-	-	-	40,000	-	40,000
Printing and postage	10,306	254	13,968	24,528	965	10,958	36,451
Total expenses	\$ 5,132,471	\$ 778,107	\$ 703,516	\$ 6,614,094	\$ 570,877	\$ 393,531	\$ 7,578,502

See accompanying notes to combined financial statements

YWCA OF GREATER CINCINNATI, INC. AND YWCA DEVELOPMENT CORPORATION

**Combined Statement of Functional Expenses
Year Ended December 31, 2018**

	Program Services				Management and General	Fundraising	Total
	Health & Safety	Economic Empowerment	Recognition & Inclusion	Total Program Services			
Salaries	\$ 2,597,010	\$ 770,060	\$ 344,098	\$ 3,711,168	\$ 251,626	\$ 157,160	\$ 4,119,954
Employee benefits	423,225	144,226	52,383	619,834	27,029	12,782	659,645
Payroll taxes	170,833	47,981	21,766	240,580	6,889	12,283	259,752
Professional fees and contract services	493,977	123,366	219,612	836,955	66,731	50,313	953,999
Assistance to individuals	214,485	14,548	-	229,033	462	-	229,495
Occupancy	173,970	49,391	7,378	230,739	42,607	83	273,429
Depreciation	260,599	104,462	10,959	376,020	70,005	202	446,227
Supplies	138,169	63,569	84,389	286,127	6,550	13,593	306,270
Miscellaneous	31,331	11,080	25,209	67,620	55,620	29,193	152,433
Transportation	64,716	49,332	1,517	115,565	1,500	439	117,504
Conferences and conventions	39,975	3,631	1,699	45,305	1,611	1,917	48,833
Maintenance	71,443	18,001	2,026	91,470	-	69	91,539
Telephone	36,787	10,840	2,927	50,554	1,968	1,048	53,570
Regional dues	-	-	-	-	38,495	-	38,495
Printing and postage	17,130	1,719	15,487	34,336	729	15,399	50,464
Total expenses	\$ 4,733,650	\$ 1,412,206	\$ 789,450	\$ 6,935,306	\$ 571,822	\$ 294,481	\$ 7,801,609

See accompanying notes to combined financial statements

YWCA OF GREATER CINCINNATI, INC. AND YWCA DEVELOPMENT CORPORATION

**Combined Statements of Cash Flows
Years Ended December 31, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities		
Change in net assets	\$ 1,356,533	\$ (1,882,049)
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	292,837	446,227
Net realized and unrealized (gains) losses on investments	(1,150,538)	598,437
Change in value of beneficial interest in trusts	(144,225)	135,961
Changes in:		
Accounts receivable, net	175,041	(143,257)
Contributions receivable, net	136,499	578,183
Other assets	35,722	(7,220)
Accounts payable	19,603	(88,965)
Accrued payroll	79,220	21,464
Other liabilities	(11,272)	21,056
	<u>789,420</u>	<u>(320,163)</u>
Net cash provided (used) by operating activities		
Cash flows from investing activities		
Purchase of investments	(2,884,012)	(9,992,036)
Proceeds from sale of investments	2,880,018	9,670,260
Purchase of property and equipment	(371,728)	(173,065)
	<u>(375,722)</u>	<u>(494,841)</u>
Net cash used by investing activities		
Cash flows from financing activities		
Proceeds from line of credit	340,000	682,500
Payments on line of credit	(762,800)	(440,000)
	<u>(422,800)</u>	<u>242,500</u>
Net cash provided (used) by financing activities		
Net change in cash and cash equivalents	(9,102)	(572,504)
Cash and cash equivalents, beginning of year	<u>93,348</u>	<u>665,852</u>
Cash and cash equivalents, end of year	<u>\$ 84,246</u>	<u>\$ 93,348</u>
Supplemental cash flows information		
Cash paid for interest	<u>\$ 31,878</u>	<u>\$ 26,768</u>

See accompanying notes to combined financial statements

YWCA OF GREATER CINCINNATI, INC. AND YWCA DEVELOPMENT CORPORATION

Notes to Combined Financial Statements

NOTE 1 NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The YWCA of Greater Cincinnati, Inc. (YWCA or Organization) is incorporated in the State of Ohio as a 501(c)(3) charitable organization. The mission of the YWCA is to eliminate racism, empower women, and promote peace, justice, freedom and dignity for all people. The YWCA operates with three signature platforms; Empowerment and Economic Advancement of Women and Girls, Health and Safety of Women and Girls, and Racial Justice and Civil Rights. The signature platforms are focus areas of the YWCA's collective mission work which includes programs and services, awareness, and public policy and advocacy. The YWCA Development Corporation is affiliated with the YWCA through common management. The primary purpose of the YWCA Development Corporation is to own and maintain the facilities used by the YWCA for the Protection from Abuse program services.

Financial Statement Presentation

The accompanying financial statements include the assets, liabilities and financial activities of the YWCA and YWCA Development Corporation. All significant inter-organizational balances and transactions have been eliminated for purposes of this presentation.

The financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles (GAAP). The Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions, which are available for use in general operations and not subject to donor restrictions; and net assets with donor restrictions, which are either temporary in nature, such as those that will be met by the passage of time or other events specified by the donor, or are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

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, expenses, gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The YWCA considers all liquid investments with original maturities of three months or less to be cash equivalents. At December 31, 2019 and 2018, cash equivalents consisted primarily of money market accounts. The Organization maintains its cash in bank deposit accounts, which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts and management believes it is not exposed to any significant credit risk.

YWCA OF GREATER CINCINNATI, INC. AND YWCA DEVELOPMENT CORPORATION

Notes to Combined Financial Statements (Continued)

NOTE 1 NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments and Investment Return

Equity securities and debt securities are carried at fair value. Investment return includes dividends, interest (net of investment management fees) and realized and unrealized gains and losses on investments carried at fair value.

Investment return is reflected in the statements of activities as without donor restrictions or with donor restrictions upon the existence and nature of any donor or legally imposed restrictions.

Accounts Receivable

Accounts receivable are stated at the amount billed to the funding agencies. If necessary, the Organization provides an allowance for doubtful accounts, which is based upon a review of outstanding receivables and existing economic conditions. Delinquent receivables are written off based on specific circumstances of the funding Organization. As of December 31, 2019 and 2018, the Organization considered all balances collectible; therefore, no allowance was necessary.

Property and Equipment

Property and equipment are recorded at cost and depreciated on a straight-line basis over the estimated useful life of each asset. Assets under capital lease obligations and leasehold improvements are depreciated over the shorter of the lease term or their respective estimated useful lives.

Contributions

Gifts of cash and other assets received without donor designations are reported as revenue without donor restrictions and net assets. Gifts received with a donor designation that limits their use are reported as revenue with donor restrictions and net assets. When a donor designated time restriction ends or purpose restriction is accomplished, 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. Unconditional gifts and investment income that are originally restricted by the donor and for which the restriction is met in the same time period are recorded as with donor restrictions and then released from restriction. Conditional gifts that are originally restricted by the donor and for which the condition and restriction are met in the same time period are recorded as net assets without donor restrictions.

Unconditional promises to give, expected to be collected within one year, are reported at their net realizable value. Unconditional gifts expected to be collected in future years are reported at the present value of estimated future cash flows. The resulting discount is amortized and reported as contribution revenue. Conditional promises to give are recognized as revenues when the conditions on which they depend are substantially met.

Government Fees and Grants

Support funded by grants is recognized as the Organization performs the contracted services or incurs outlays eligible for reimbursement under the grant agreements. Grant activities and outlays are subject to audit and acceptance by the granting Organization and, as a result of such audit, adjustments could be required.

YWCA OF GREATER CINCINNATI, INC. AND YWCA DEVELOPMENT CORPORATION

Notes to Combined Financial Statements (Continued)

NOTE 1 NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The YWCA of Greater Cincinnati, Inc. and the YWCA Development Corporation are exempt from income taxes under Section 501(c)(3) and Section 501(c)(2), respectively, of the Internal Revenue Code and a similar provision of Ohio law. However, the Organization is subject to federal income tax on any unrelated business taxable income.

The Organization's IRS Forms 990 are subject to review and examination by federal and state authorities. The Organization believes it has appropriate support for any tax positions taken, and therefore, does not have any uncertain income tax positions that are material to the financial statements.

Functional Allocation of Expenses

The costs of supporting the various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the program and supporting services. Such allocations are determined by management on an equitable basis. The most significant allocations were salaries and related expenses, which were allocated based on time and effort, and occupancy, which was allocated based on space occupied.

Effect of Adopting New Accounting Standard

During 2019, the Organization adopted FASB ASU 2018-08, *Not-For-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The standard clarified and improved previous guidance about whether a transfer of assets is a contribution or an exchange transaction. The standard clarified how an entity determined whether a resource provider is participating in an exchange transaction by evaluating whether the resource provider is receiving commensurate value in return for the resources transferred. The standard also required that an entity determine whether 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 ASU has been applied using the modified prospective basis for all grants and contracts that were not completed as of January 1, 2019.

Recently Issued Accounting Standard Updates

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers*. The standard's core principle is that an organization will recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the organization expects to be entitled in exchange for those goods or services. 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 entity's contract with customers. This standard will be effective for the Organization's year ending December 31, 2020.

YWCA OF GREATER CINCINNATI, INC. AND YWCA DEVELOPMENT CORPORATION

Notes to Combined Financial Statements (Continued)

NOTE 1 NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recently Issued Accounting Standard Updates (Continued)

In February 2016, the FASB issued ASU 2016-02, *Leases*. The standard requires all leases with lease terms over 12 months to be capitalized as a right-of-use asset and lease liability on the statement of financial position at the date of lease commencement. Leases will be classified as either finance or operating. This distinction will be relevant for the pattern of expense recognition in the statement of activities. This standard will be effective for Organization's year ending December 31, 2022.

The Organization is currently in the process of evaluating the impact of adoption of these ASUs on the combined financial statements.

Subsequent Event Evaluation

In preparing its financial statements, the Organization has evaluated events subsequent to the statement of financial position date through June 30, 2020, which is the date the financial statements were available to be issued.

NOTE 2 LIQUIDITY AND AVAILABILITY

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

	2019	2018
Cash and cash equivalents	\$ 84,246	\$ 93,348
Accounts receivable, net	539,180	714,221
Contributions receivable due within one year	746,093	982,592
Operating investments	-	427,133
Board-designated endowment funds spending policy appropriations	99,500	85,805
Donor restricted-endowment funds spending policy appropriations	202,092	181,202
Distributions from beneficial interests in perpetual trusts	56,000	56,000
	\$ 1,727,111	\$ 2,540,301

YWCA's endowment funds consist of board-designated (quasi-endowment) and donor-restricted endowments subject to a 3.75% spending policy available for general expenditure. Additional amounts from the board-designated endowment can be made available through board approval, if necessary.

As part of the YWCA'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. In addition, the YWCA invests cash in excess of daily requirements in short-term investments. To help manage unanticipated liquidity needs, the YWCA has a \$1 million line of credit, which can be drawn upon.

YWCA OF GREATER CINCINNATI, INC. AND YWCA DEVELOPMENT CORPORATION

Notes to Combined Financial Statements (Continued)

NOTE 3 CONTRIBUTIONS RECEIVABLE

Contributions receivable as of December 31, 2019 and 2018 are with donor restrictions and consist of unconditional promises to give. The YWCA considers all contributions receivable collectible; therefore, no allowance was necessary.

Contributions receivable at December 31 consisted of the following:

	2019	2018
Due within one year	\$ 746,093	\$ 982,592
Due in one to five years	100,000	-
	\$ 846,093	\$ 982,592

NOTE 4 CONDITIONAL CONTRIBUTIONS

The Organization has numerous grants for which the grantor agencies' promises to give are conditioned upon the Organization incurring certain qualifying expenses under the grant programs. At December 31, 2019, the Organization had remaining available award balances on federal government conditional grants of \$4,442,282. These award balances are not recognized as assets and will be recognized as revenue as the conditions are met, generally as qualifying expenses are incurred.

NOTE 5 INVESTMENTS

Investments at December 31 consisted of the following:

	2019	2018
Money market funds	\$ 721,514	\$ 473,972
U.S. government and Federal agency securities	-	344,504
Corporate debt securities	-	325,935
Fixed income mutual funds	2,762,687	1,926,649
Equity mutual funds	2,110,013	1,785,743
Common stocks	3,187,368	2,770,247
	\$ 8,781,582	\$ 7,627,050

NOTE 6 NOTE RECEIVABLE AND CAPITAL LEASE OBLIGATION

In January 1983, the YWCA sold part of its real property for \$450,000. In connection with the sale, the YWCA loaned the buyer \$2,100,000 to make improvements to the space occupied by the YWCA and the YWCA received a note receivable for \$2,100,000 that bore interest at 7%. The note receivable provided for monthly installments of \$12,439, including interest, through June 2043. The note receivable is secured by a mortgage on the portion of the building occupied by the YWCA at the downtown center and by the assignment of the lease payments referred to above. As part of the sales agreement, the YWCA leased back a portion of the space. The deed contains a reversion provision that the entire building will revert back to the YWCA in 2043 at no cost.

YWCA OF GREATER CINCINNATI, INC. AND YWCA DEVELOPMENT CORPORATION

**Notes to Combined Financial Statements
(Continued)**

NOTE 6 NOTE RECEIVABLE AND CAPITAL LEASE OBLIGATION (CONTINUED)

In February 1984, the lease agreement was amended. As part of the amendment, the YWCA was required to make monthly lease payments of \$11,855, for the first fourteen-year lease term. The net effect of the transaction was the payments on the lease and the payments due on the note were offset against each other with a minor amount being paid to the YWCA for shared building costs.

In August 2005, the note and lease were amended to no longer require current payments of interest and principal and to reduce the annual rent to \$1 a year plus the shared building expense of approximately \$584 per month. Additionally, the note was subordinated to other debt of the buyer/lessor and the outstanding principal and interest of the note is due to the YWCA in full in January 2043.

NOTE 7 PROPERTY AND EQUIPMENT

Property and equipment at December 31 consisted of the following:

	<u>2019</u>	<u>2018</u>
Land	\$ 138,215	\$ 138,215
Buildings and improvements	11,728,511	11,345,040
Furniture and equipment	906,028	1,041,720
Less accumulated depreciation	<u>(9,626,092)</u>	<u>(9,457,204)</u>
	<u>\$ 3,146,662</u>	<u>\$ 3,067,771</u>

NOTE 8 BENEFICIAL INTEREST IN PERPETUAL TRUSTS

The YWCA is the beneficiary under various perpetual trusts administered by outside parties. Under the terms of the trusts, the YWCA has the irrevocable right to receive income earned on the trust assets in perpetuity, but never receives the assets held in trust. The estimated value of the expected future cash flows is \$1,410,154 and \$1,265,929, which represents the fair value of the YWCA's portion of the trust assets at December 31, 2019 and 2018, respectively. The YWCA's portion of the income from these trusts for 2019 and 2018 was \$68,279 and \$64,865, respectively.

NOTE 9 LINE OF CREDIT

The YWCA entered into a \$1,000,000 line of credit agreement at PNC Bank. As of December 31, 2019 and 2018, \$169,700 and \$592,500 was drawn against the line of credit, respectively. The line of credit expires in September 2020 and can be renewed on an annual basis. Interest accrues at PNC Bank's daily LIBOR rate plus 2.0%. In connection with this agreement, the YWCA is required to maintain minimum unrestricted net assets of \$6,000,000 and minimum liquid assets of \$4,000,000.

YWCA OF GREATER CINCINNATI, INC. AND YWCA DEVELOPMENT CORPORATION

**Notes to Combined Financial Statements
(Continued)**

NOTE 10 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of December 31 are available for the following purposes or periods:

	<u>2019</u>	<u>2018</u>
Restricted for use in subsequent years:		
United Way	\$ 450,606	\$ 625,606
Other pledges	<u>395,487</u>	<u>356,986</u>
	<u>846,093</u>	<u>982,592</u>
Restricted as to purpose:		
Chief executive's salary	80,692	310,000
Health and safety	379,998	301,054
Economic empowerment	35,173	74,807
Recognition and inclusion	<u>40,000</u>	<u>40,000</u>
	<u>535,863</u>	<u>725,861</u>
Restricted for endowments:		
Endowment funds to be maintained in perpetuity	2,048,918	2,048,918
Accumulated net appreciation of donor-restricted endowment funds subject to spending policy	<u>3,270,636</u>	<u>2,555,179</u>
	<u>5,319,554</u>	<u>4,604,097</u>
Beneficial interest in perpetual trusts	<u>1,410,154</u>	<u>1,265,929</u>
	<u>\$ 8,111,664</u>	<u>\$ 7,578,479</u>

YWCA OF GREATER CINCINNATI, INC. AND YWCA DEVELOPMENT CORPORATION

**Notes to Combined Financial Statements
(Continued)**

NOTE 11 NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors, noted as follows:

	<u>2019</u>	<u>2018</u>
Time restrictions expired:		
United Way allocation for current year	\$ 625,600	\$ 787,000
Other pledges	272,563	646,103
Purpose restriction accomplished:		
Chief executive's salary	229,308	195,000
Health and safety	644,481	366,029
Economic empowerment	39,634	26,259
Recognition and inclusion	750	8,500
Other pledges	50,000	-
Endowment earnings appropriated for expenditure	<u>170,088</u>	<u>212,927</u>
	<u><u>\$ 2,032,424</u></u>	<u><u>\$ 2,241,818</u></u>

NOTE 12 ENDOWMENT

The Organization's endowment consists of six individual funds established for a variety of purposes. The endowment includes both donor-restricted endowment funds and funds designated by the governing body to function as endowments (board-designated endowment funds). Income from the Organization's donor-restricted endowment funds may be used for general operations. Income from the Organization's board-designated endowment funds are to be used for building maintenance, capital improvements and general operations. As required by accounting principles generally accepted in the United States of America (GAAP), net assets associated with endowment funds, including board-designated endowment funds, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Organization's governing body follows the Uniform Prudent Management of Institutional Funds Act (UPMIFA). The governing board has interpreted UPMIFA as requiring preservation of the fair 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 Organization classifies as net assets with donor restrictions (a time restriction in perpetuity) (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment and (c) accumulations to the 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 donor-restricted endowment funds is classified as net assets with donor restriction (a purpose restriction) as required by the donor until those amounts are appropriate for expenditure.

YWCA OF GREATER CINCINNATI, INC. AND YWCA DEVELOPMENT CORPORATION

**Notes to Combined Financial Statements
(Continued)**

NOTE 12 ENDOWMENT (CONTINUED)

The composition of net assets by type of endowment fund at December 31 was:

	2019		
	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	\$ 2,967,518	\$ -	\$ 2,967,518
Donor-restricted endowment funds, at original value, required to be maintained in perpetuity	-	2,048,918	2,048,918
Accumulated net appreciation of donor-restricted endowment funds	-	3,270,636	3,270,636
	<u>\$ 2,967,518</u>	<u>\$ 5,319,554</u>	<u>\$ 8,287,072</u>
	2018		
	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	\$ 2,366,807	\$ -	\$ 2,366,807
Donor-restricted endowment funds, at original value, required to be maintained in perpetuity	-	2,048,918	2,048,918
Accumulated net appreciation of donor-restricted endowment funds	-	2,555,179	2,555,179
Total endowment funds	<u>\$ 2,366,807</u>	<u>\$ 4,604,097</u>	<u>\$ 6,970,904</u>

YWCA OF GREATER CINCINNATI, INC. AND YWCA DEVELOPMENT CORPORATION

**Notes to Combined Financial Statements
(Continued)**

NOTE 12 ENDOWMENT (CONTINUED)

Changes in endowment net assets for the years ended December 31 were:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, December 31, 2017	\$ 1,988,526	\$ 5,058,964	\$ 7,047,490
Transfer to endowment	605,584	-	605,584
Investment return:			
Investment income, net of fees	58,234	133,046	191,280
Net depreciation	<u>(166,843)</u>	<u>(374,986)</u>	<u>(541,829)</u>
Total investment return	(108,609)	(241,940)	(350,549)
Appropriation of endowment assets for expenditure	<u>(118,694)</u>	<u>(212,927)</u>	<u>(331,621)</u>
Endowment net assets, December 31, 2018	2,366,807	4,604,097	6,970,904
Transfer to endowment	481,962	-	481,962
Investment return:			
Investment income, net of fees	80,174	128,382	208,556
Net appreciation	<u>370,555</u>	<u>757,163</u>	<u>1,127,718</u>
Total investment return	450,729	885,545	1,336,274
Appropriation of endowment assets for expenditure	<u>(331,980)</u>	<u>(170,088)</u>	<u>(502,068)</u>
Endowment net assets, December 31, 2019	<u>\$ 2,967,518</u>	<u>\$ 5,319,554</u>	<u>\$ 8,287,072</u>

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level the Organization is required to retain as a fund of perpetual duration pursuant to donor stipulation. In accordance with GAAP, deficiencies of this nature are reported in net assets with donor restrictions. As of December 31, 2019 and 2018, there were no such deficiencies in endowment funds.

The Organization has both an investment policy and investment guidelines as well as a spending policy for endowment assets that attempt to provide a predictable stream of funding to programs and other items supported by its endowment while seeking to maintain the purchasing power of the endowment and provide additional real growth through new gifts and investment return. Endowment assets include those assets of donor-restricted endowment funds the Organization must hold in perpetuity as well as those of board-designated endowment funds. Following the Organization's investment policy, endowment assets are invested in a manner intended to increase the size of the endowment fund using a conservative asset allocation approach. Currently, the targeted range for equities is 50-70% with the remaining 30-50% to be invested in fixed income securities. Included in the investment policy are the guidelines for acceptable investment instrument quality.

YWCA OF GREATER CINCINNATI, INC. AND YWCA DEVELOPMENT CORPORATION

Notes to Combined Financial Statements (Continued)

NOTE 12 ENDOWMENT (CONTINUED)

The Organization's spending policy (policy of appropriating for expenditure each year) is 3.75% of its endowment fund's three year trailing average fair value balance. In establishing this policy, the Organization considered the long-term expected return on its endowment funds and considers this spending policy to be conservative.

The Investment Committee of the Board reviews the investment manager performance and the endowment fund account performance with each investment manager at least once per year. The Investment Committee reviews the endowment fund portfolio summary monthly and the investment account performance quarterly, including a comparison to industry benchmarks.

NOTE 13 RETIREMENT PLANS

The YWCA of Greater Cincinnati, Inc. provides retirement benefits for eligible employees as a participating employer-sponsor of the National YWCA Retirement Fund, Inc. (Plan), a cash balance defined benefit pension plan. The Plan operates as a multiple-employer pension plan whereby plan benefits are based on individual employee account balances. The actuarial present value of accumulated plan benefits and net assets available for benefits relating to the Organization's employees is not available for each participating organization. As such, the YWCA does not recognize the funded status of the Plan. The YWCA pays a portion of the retirement cost for each employee with two years of 1,000 hours of service. Contributions to the Plan amounted to \$265,724 in 2019 and \$229,955 in 2018.

NOTE 14 FAIR VALUE MEASUREMENTS

The fair value of an asset is considered to be the price at which the asset could be sold in an orderly transaction between unrelated knowledgeable and willing parties. A liability's fair value is defined as the amount that would be paid to transfer the liability to a new obligor, not the amount that would be paid to settle the liability with the creditor. Assets and liabilities recorded at fair value are measured using a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers include:

- Level 1 - Inputs are unadjusted quoted prices for identical assets in active markets.
- Level 2 - Inputs are observable quoted prices for similar assets in active markets.
- Level 3 - Inputs are unobservable and reflect management's best estimate of what market participants would use as fair value.

Following is a description of the valuation methodologies used for assets and liabilities measured at fair value on a recurring basis and recognized in the accompanying statement of financial position, as well as the general classification of such assets and liabilities pursuant to the valuation hierarchy.

Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. Level 1 securities include equity securities and mutual funds (including equity and bond funds). If quoted market prices are not available, then fair values are estimated by using pricing models or quoted prices of securities with similar characteristics. Level 2 securities include corporate debt securities and money market funds.

Beneficial Interest in Perpetual Trust

Fair value is estimated at the present value of the future distributions expected to be received over the term of the agreement. Due to the nature of the valuation inputs, the interest is classified within Level 3 of the hierarchy.

YWCA OF GREATER CINCINNATI, INC. AND YWCA DEVELOPMENT CORPORATION

**Notes to Combined Financial Statements
(Continued)**

NOTE 14 FAIR VALUE MEASUREMENTS (CONTINUED)

The following table summarizes assets measured at fair value on a recurring basis at:

<u>December 31, 2019</u>	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments:				
Money market funds	\$ 721,514	\$ -	\$ 721,514	\$ -
Fixed income mutual funds	2,762,687	2,762,687	-	-
Equity mutual funds	2,110,013	2,110,013	-	-
Common stocks	3,187,368	3,187,368	-	-
Total investments	<u>\$ 8,781,582</u>	<u>\$ 8,060,068</u>	<u>\$ 721,514</u>	<u>\$ -</u>
Beneficial interest in perpetual trust	<u>\$ 1,410,154</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,410,154</u>
<u>December 31, 2018</u>	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments:				
Money market funds	\$ 473,972	\$ -	\$ 473,972	\$ -
U.S. government and Federal agency securities	344,504	-	344,504	-
Corporate debt securities	325,935	-	325,935	-
Fixed income mutual funds	1,926,649	1,926,649	-	-
Equity mutual funds	1,785,743	1,785,743	-	-
Common stocks	2,770,247	2,770,247	-	-
Total investments	<u>\$ 7,627,050</u>	<u>\$ 6,482,639</u>	<u>\$ 1,144,411</u>	<u>\$ -</u>
Beneficial interest in perpetual trust	<u>\$ 1,265,929</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,265,929</u>

See statement of activities for the change in beneficial interest in perpetual trust.

NOTE 15 SIGNIFICANT CONCENTRATIONS

Accounting principles generally accepted in the United States of America require disclosure of current vulnerabilities due to certain concentrations. Those matters include the following:

Approximately 53% and 64% of contributions receivable was due from the United Way of Greater Cincinnati at December 31, 2019 and 2018, respectively.

Approximately 63% of contributions was received from two bequests in 2019.

YWCA OF GREATER CINCINNATI, INC. AND YWCA DEVELOPMENT CORPORATION

Notes to Combined Financial Statements (Continued)

NOTE 16 SUBSEQUENT EVENTS

The COVID-19 outbreak in the United States has caused business disruption through mandated closings of some of the Organization's programs. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings. Therefore, the Organization expects this matter to negatively impact its operating results. However, the related financial impact and duration cannot be reasonably estimated at this time.

On April 15, 2020, the Organization entered into a term note pursuant to the Coronavirus Aid, Relief, and Economic Security Act's (CARES Act) Payroll Protection Program (the Program) for \$969,400. All or a portion of the note may be forgiven in accordance with the Program requirements. Interest on the outstanding principal balance will accrue at a fixed rate of 1.00%, but neither principal or interest are due and payable during the initial 6-month deferral period after issuance. After the initial 6-month deferral period expires, the outstanding principal balance that is not forgiven under the Program will convert to an amortizing loan payable in 18 equal installments of principal.

SUPPLEMENTARY INFORMATION

YWCA OF GREATER CINCINNATI, INC. AND YWCA DEVELOPMENT CORPORATION

**Schedule of Expenditures of Federal Awards
Year Ended December 31, 2019**

Federal Grantor/Pass-through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Agriculture				
<i>Passed through the Ohio Department of Education:</i>				
Child and Adult Care Food Program	10.558	None	\$ -	\$ 30,983
U.S. Department of Health and Human Services				
<i>Passed through the State of Ohio Office of Criminal Justice Services:</i>				
Family Violence Prevention & Services/Grants for Battered Women's Shelters - Grants to States and Indian Tribes	93.671	2018-JG-D01-6282 2018-VP-001-4049 2018-VP-001-4050 2019-DV-FVP-255a 2019-VP-001-4049 2019-VP-001-4050 2020-DV-FVP-255	-	185,114
<i>Passed through the Ohio Department of Health:</i>				
Injury Prevention and Control Research and State and Community Based Programs	93.136	03160104VW1118 03160104VW1219	-	46,580
Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF)	93.758	03160104VW1219	-	7,000
Total U.S. Department of Health and Human Services			-	238,694
U.S. Department of Homeland Security				
Emergency Food & Shelter National Board Program	97.024	35-6756-00-002	-	11,149
U.S. Department of Housing and Urban Development				
<i>Passed through Strategies to End Homelessness, Inc:</i>				
Emergency Shelter Grants Program	14.231	201912	-	61,578
<i>Passed through Strategies to End Homelessness, Inc:</i>				
Continuum of Care Program	14.267	OH0248U5E001709 OH0248U5E001810 OH0251Y5E001709 OH0325U5E001809 OH0325U5E001708 OH0577U5E001700 OH0577U5E001700 OH0598Y5E001600 OH0603U5E001800	-	534,505
Total U.S. Department of Housing and Urban Development			-	596,083

YWCA OF GREATER CINCINNATI, INC. AND YWCA DEVELOPMENT CORPORATION

**Schedule of Expenditures of Federal Awards
Year Ended December 31, 2019 (Continued)**

Federal Grantor/Pass-through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Justice				
<i>Passed through the State of Ohio Office of Criminal Justice Services:</i>				
Violence Against Women Formula Grants	16.588	2016-WF-VA5-8588A 2017-WF-VA5-8588 2018-WF-VA5-8585	-	46,978
<i>Passed through the State of Ohio Office of Crime Victims Assistance:</i>				
Crime Victim Assistance	16.575	2019-SVAA-132136958 2019-VOCA-132136954 2020-SVAA-132925016 2020-VOCA-132925013	-	472,169
<i>Passed through the Legal Aid Society of Cincinnati:</i>				
Legal Assistance for Victims	16.524	2015-WL-AX-0057	-	21,189
<i>Direct programs:</i>				
Transitional Housing Assistance for Victims of Domestic Violence, Dating Violence, Stalking or Sexual Assault	16.736	2017-WH-AX-0048	-	128,624
Edward Byne Memorial Justice Assistance Grant Program	16.738	2015-JG-D01-6304A 2018-JG-D01-6263	-	36,828
Improving Criminal Justice Responses Grant Program	16.590	2016-WE-AX-0026	30,138	146,216
Rural Domestic Violence, Dating Violence, Sexual Assault, and Stalking Assistance Program	16.589	2016-WR-AX-0031	-	279,447
Consolidated And Technical Assistance Grant Program to Address Children and Youth Experiencing Domestic and Sexual Violence and Engage Men and Boys as Allies	16.888	2019-CYAX-0013	-	4,086
Grants for Outreach and Service to Underserved Populations	16.889	2017-UD-AX-0005	900	201,104
Total U.S. Department of Justice			<u>31,038</u>	<u>1,336,641</u>
			<u>\$ 31,038</u>	<u>\$ 2,213,550</u>

YWCA OF GREATER CINCINNATI, INC. AND YWCA DEVELOPMENT CORPORATION

Schedule of Expenditures of Federal Awards Year Ended December 31, 2019 (Continued)

NOTE 1 BASIS OF PRESENTATION

The schedule of expenditures of federal awards includes the federal grant activity of the Organization for the year ended December 31, 2019. 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). Therefore, some amounts presented on this schedule may differ from those amounts presented, or used in, the preparation of the basic combined financial statements.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures on the schedule are reported on the accrual basis of accounting in accordance with generally accepted accounting principles. 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 Organization has elected not to use the 10% de minimis indirect cost rate allowed under Uniform Guidance.

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

The Board of Trustees
YWCA of Greater Cincinnati, Inc. and YWCA Development Corporation

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 combined financial statements of YWCA of Greater Cincinnati, Inc. and YWCA Development Corporation (a nonprofit organization), which comprise the combined statement of financial position as of December 31, 2019, and the related combined statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the combined financial statements, and have issued our report thereon dated June 30, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the combined financial statements, we considered YWCA of Greater Cincinnati, Inc. and YWCA Development Corporation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of YWCA of Greater Cincinnati, Inc. and YWCA Development Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of YWCA of Greater Cincinnati, Inc. and YWCA Development Corporation'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 entity'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 YWCA of Greater Cincinnati, Inc. and YWCA Development Corporation's combined 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

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 YWCA of Greater Cincinnati, Inc. and YWCA Development Corporation'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



June 30, 2020
Cincinnati, Ohio

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

The Board of Trustees
YWCA of Greater Cincinnati, Inc. and YWCA Development Corporation

Report on Compliance for Each Major Federal Program

We have audited YWCA of Greater Cincinnati, Inc. and YWCA Development Corporation'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 YWCA of Greater Cincinnati, Inc. and YWCA Development Corporation's major federal programs for the year ended December 31, 2019. YWCA of Greater Cincinnati, Inc. and YWCA Development Corporation'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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of YWCA of Greater Cincinnati, Inc. and YWCA Development Corporation'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 YWCA of Greater Cincinnati, Inc. and YWCA Development Corporation'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 YWCA of Greater Cincinnati, Inc. and YWCA Development Corporation's compliance.

Opinion on Each Major Federal Program

In our opinion, YWCA of Greater Cincinnati, Inc. and YWCA Development Corporation 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 December 31, 2019.

Report on Internal Control over Compliance

Management of YWCA of Greater Cincinnati, Inc. and YWCA Development Corporation is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE
(CONTINUED)**

Report on Internal Control over Compliance (Continued)

In planning and performing our audit of compliance, we considered YWCA of Greater Cincinnati, Inc. and YWCA Development Corporation'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 YWCA of Greater Cincinnati, Inc. and YWCA Development Corporation'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.

Barnes, Dennig & Co., Ltd.

June 30, 2020
Cincinnati, Ohio

YWCA OF GREATER CINCINNATI, INC. AND YWCA DEVELOPMENT CORPORATION

**Schedule of Findings and Questioned Costs
Year Ended December 31, 2019**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ Yes X None noted
- Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal control over major programs

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ Yes X None noted

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR Section 200.516(a)? _____ Yes X No

Identification of major programs

<u>CFDA #</u>	<u>Name of Federal Programs or Clusters</u>
14.267	Continuum of Care Program

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? X Yes _____ No

Section II - Financial Statement Findings

No matters are reportable.

Section III - Federal Award Findings and Questioned Costs

No matters are reportable.

YWCA OF GREATER CINCINNATI, INC. AND YWCA DEVELOPMENT CORPORATION

**Summary Schedule of Prior Audit Findings
Year Ended December 31, 2019**

Reference Number	Summary of Finding	Status
	No matters are reportable	