



YWCA Mahoning Valley and Subsidiaries

**Consolidated Financial Statements and Supplementary Information with
Report of Independent Auditors**

December 31, 2022 and 2021

YWCA MAHONING VALLEY AND SUBSIDIARIES

TABLE OF CONTENTS

| | Page |
|--|-------|
| REPORT OF INDEPENDENT AUDITORS | 1-3 |
| CONSOLIDATED FINANCIAL STATEMENTS: | |
| Consolidated Statements of Financial Position | 4-5 |
| Consolidated Statements of Activities and Changes in Net Assets | 6-7 |
| Consolidated Statements of Functional Expenses | 8-9 |
| Consolidated Statements of Cash Flows | 10 |
| Notes to Consolidated Financial Statements | 11-25 |
| SUPPLEMENTARY INFORMATION: | |
| Supplemental Statements | 26-28 |
| Schedule of Expenditures of Federal Awards | 29 |
| Notes to Schedule of Expenditures of Federal Awards | 30 |
| 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 <i>GOVERNMENT AUDITING STANDARDS</i> | 31-32 |
| INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE | 33-35 |
| Schedule of Findings and Questioned Costs | 36-37 |

REPORT OF INDEPENDENT AUDITORS

To the Board of Directors of
YWCA Mahoning Valley and Subsidiaries:

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of YWCA Mahoning Valley (“YWCAMV”) and Subsidiaries, which comprise the consolidated statements of financial position as of December 31, 2022 and 2021, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of YWCAMV and Subsidiaries as of December 31, 2022 and 2021, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. The audit for the year ended December 31, 2022 was conducted in accordance with the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of YWCAMV and Subsidiaries and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Changes in Accounting Principles

As discussed in Note 2 to the consolidated financial statements, YWCAMV and Subsidiaries adopted accounting standards changes related to accounting and disclosure for leasing arrangements. Our opinion is not modified with respect to those matters.

Responsibilities of Management for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about YWCAMV and Subsidiaries’ ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of YWCAMV and Subsidiaries' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about YWCAMV and Subsidiaries' ability to continue as a going concern for a reasonable period of time.

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

Other Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information on pages 25 to 27 and 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*, are presented for purposes of additional analysis of the consolidated financial statements and are 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 audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information and the Schedule of Federal Awards are fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated September 25, 2023, on our consideration of YWCAMV and Subsidiaries' internal control over financial reporting and on our tests of their compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to solely describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of YWCAMV and Subsidiaries' 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 YWCAMV and Subsidiaries' internal control over financial reporting and compliance.

Novogradac & Company LLP

September 25, 2023
Dover, Ohio

YWCA MAHONING VALLEY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
December 31, 2022 and 2021

ASSETS

| | 2022 | 2021 |
|---|---------------|---------------|
| Current assets: | | |
| Cash and cash equivalents | \$ 750,761 | \$ 593,747 |
| Receivables: | | |
| Program participants | 35,566 | 23,197 |
| Rental income - tenants | - | 573 |
| Total receivables | 35,566 | 23,770 |
| Less: allowance for doubtful accounts | (4,741) | (7,845) |
| Net receivables | 30,825 | 15,925 |
| Right-of-use assets - current | 62,874 | - |
| Unconditional free rent receivable - current | - | 23,950 |
| Prepaid rent - current | - | 38,950 |
| Prepaid asset management fee - current | 5,333 | 21,361 |
| Investments, at fair value | 2,364,986 | 2,958,279 |
| Total current assets | 3,214,779 | 3,652,212 |
| Property and equipment: | | |
| Land | 186,946 | 150,509 |
| Building | 9,544,122 | 9,538,803 |
| Site improvements | 786,280 | 786,280 |
| Furniture and equipment | 400,280 | 399,246 |
| Vehicle | 41,579 | 59,549 |
| Construction in progress | 114,752 | - |
| Total property and equipment | 11,073,959 | 10,934,387 |
| Less: accumulated depreciation | (4,497,025) | (4,155,127) |
| Net property and equipment | 6,576,934 | 6,779,260 |
| Other assets: | | |
| Right-of-use assets - noncurrent | 241,168 | - |
| Unconditional free rent receivable - noncurrent | - | 115,758 |
| Prepaid rent - noncurrent | - | 188,258 |
| Prepaid asset management fee - noncurrent | 10,700 | - |
| Restricted deposits and funded reserves | 225,617 | 221,502 |
| Deferred charges, net | 10,610 | 14,522 |
| Total other assets | 488,095 | 540,040 |
| Total assets | \$ 10,279,808 | \$ 10,971,512 |

See accompanying notes to consolidated financial statements

YWCA MAHONING VALLEY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)
December 31, 2022 and 2021

LIABILITIES AND NET ASSETS

| | 2022 | 2021 |
|--|---------------|---------------|
| Current liabilities: | | |
| Accounts payable | \$ 46,789 | \$ 42,276 |
| Accrued liabilities: | | |
| Payroll | 188,095 | 163,855 |
| Payroll taxes | 4,747 | 3,486 |
| Prepaid rent | 1,208 | - |
| Tenant security deposits liability | 6,390 | 5,448 |
| Other liabilities | 165,000 | - |
| Note payable - current portion | 10,000 | - |
| Total current liabilities | 422,229 | 215,065 |
| Long-term liabilities: | | |
| Note payable - noncurrent portion | 40,000 | - |
| Affordable Housing Program subsidy | 1,000,000 | 1,000,000 |
| Total long-term liabilities | 1,040,000 | 1,000,000 |
| Total liabilities | 1,462,229 | 1,215,065 |
| Net assets: | | |
| Net assets without donor restrictions: | | |
| Undesignated | 5,582,500 | 5,748,498 |
| Board designated | 2,216,987 | 2,810,279 |
| Noncontrolling interest | 592,072 | 900,624 |
| Net assets with donor restrictions | 426,020 | 297,046 |
| Total net assets | 8,817,579 | 9,756,447 |
| Total liabilities and net assets | \$ 10,279,808 | \$ 10,971,512 |

See accompanying notes to consolidated financial statements

YWCA MAHONING VALLEY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
For the year ended December 31, 2022

| | <u>Net assets without donor restrictions</u> | <u>Net assets with donor restrictions</u> | <u>Total</u> |
|--|--|---|---------------------|
| REVENUE | | | |
| Contributions | \$ 136,112 | \$ - | \$ 136,112 |
| Allocations from federated and non-federated campaigns | 90,585 | - | 90,585 |
| Grants | 1,237,605 | 275,720 | 1,513,325 |
| Program service fees | 80,005 | - | 80,005 |
| Investment income | 63,706 | - | 63,706 |
| Investment gain (loss) | (463,955) | - | (463,955) |
| Special events - gross | 41,929 | - | 41,929 |
| Rental income and other | 327,580 | - | 327,580 |
| Miscellaneous | 7,785 | - | 7,785 |
| Net assets released from restrictions | <u>146,746</u> | <u>(146,746)</u> | <u>-</u> |
| Total revenue | 1,668,098 | 128,974 | 1,797,072 |
| EXPENSES | | | |
| Program services: | | | |
| Youth services | 265,397 | - | 265,397 |
| Housing and supportive services | 1,425,657 | - | 1,425,657 |
| Empowerment | 58,160 | - | 58,160 |
| Racial justice/civil rights | 87,135 | - | 87,135 |
| Supporting services: | | | |
| Management and general | 433,341 | - | 433,341 |
| YWCA, LLC | <u>466,250</u> | <u>-</u> | <u>466,250</u> |
| Total expenses | <u>2,735,940</u> | <u>-</u> | <u>2,735,940</u> |
| CHANGE IN NET ASSETS | (1,067,842) | 128,974 | (938,868) |
| Change in net assets attributable to YWCA, LLC noncontrolling interest | 308,475 | - | 308,475 |
| Change in net assets attributable to YWCA, Inc. noncontrolling interest | <u>77</u> | <u>-</u> | <u>77</u> |
| Change in net assets attributable to YWCAMV Non-Profit | <u>\$ (759,290)</u> | <u>\$ 128,974</u> | <u>\$ (630,316)</u> |
| NET ASSETS - BEGINNING | \$ 9,459,401 | \$ 297,046 | \$ 9,756,447 |
| CHANGE IN NET ASSETS | <u>(1,067,842)</u> | <u>128,974</u> | <u>(938,868)</u> |
| NET ASSETS - ENDING | <u>\$ 8,391,559</u> | <u>\$ 426,020</u> | <u>\$ 8,817,579</u> |

See accompanying notes to consolidated financial statements

YWCA MAHONING VALLEY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
For the year ended December 31, 2021

| | <u>Net assets without donor restrictions</u> | <u>Net assets with donor restrictions</u> | <u>Total</u> |
|--|--|---|---------------------|
| REVENUE | | | |
| Contributions | \$ 63,395 | \$ - | 63,395 |
| Allocations from federated and non-federated campaigns | 86,592 | - | 86,592 |
| Grants | 988,276 | 68,996 | 1,057,272 |
| Program service fees | 63,553 | - | 63,553 |
| Investment income | 66,551 | - | 66,551 |
| Investment gain (loss) | 323,261 | - | 323,261 |
| Special events - gross | 26,299 | - | 26,299 |
| Rental income and other | 314,297 | - | 314,297 |
| Miscellaneous | 14,075 | - | 14,075 |
| Net assets released from restrictions | <u>69,361</u> | <u>(69,361)</u> | <u>-</u> |
| Total revenue | 2,015,660 | (365) | 2,015,295 |
| EXPENSES | | | |
| Program services: | | | |
| Youth services | 252,616 | - | 252,616 |
| Housing and supportive services | 1,153,598 | - | 1,153,598 |
| Empowerment | 106,936 | - | 106,936 |
| Supporting services: | | | |
| Management and general | 429,310 | - | 429,310 |
| YWCA, LLC | <u>447,647</u> | <u>-</u> | <u>447,647</u> |
| Total expenses | <u>2,390,107</u> | <u>-</u> | <u>2,390,107</u> |
| CHANGE IN NET ASSETS | (374,447) | (365) | (374,812) |
| Change in net assets attributable to YWCA, LLC noncontrolling interest | 290,745 | - | 290,745 |
| Change in net assets attributable to YWCA, Inc. noncontrolling interest | <u>73</u> | <u>-</u> | <u>73</u> |
| Change in net assets attributable to YWCAMV Non-Profit | <u>\$ (83,629)</u> | <u>\$ (365)</u> | <u>\$ (83,994)</u> |
| NET ASSETS - BEGINNING | \$ 9,833,848 | \$ 297,411 | \$ 10,131,259 |
| CHANGE IN NET ASSETS | <u>(374,447)</u> | <u>(365)</u> | <u>(374,812)</u> |
| NET ASSETS - ENDING | <u>\$ 9,459,401</u> | <u>\$ 297,046</u> | <u>\$ 9,756,447</u> |

See accompanying notes to consolidated financial statements

YWCA MAHONING VALLEY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES
For the year ended December 31, 2022

| | PROGRAM SERVICES | | | | SUPPORTING SERVICES | YWCA of Youngstown Housing, LLC | Total |
|--|-------------------|---------------------------------|------------------|------------------------------|------------------------|---------------------------------|---------------------|
| | Youth Services | Housing and Supportive Services | Empowerment | Racial Justice/ Civil Rights | Management and General | | |
| Salaries and wages | \$ 192,789 | \$ 454,813 | \$ 13,652 | \$ 76,164 | \$ 148,694 | \$ 27,376 | \$ 913,488 |
| Employee benefits | 26,263 | 56,127 | 1,993 | 6,570 | 43,307 | 4,449 | 138,709 |
| Total salaries and related expenses | 219,052 | 510,940 | 15,645 | 82,734 | 192,001 | 31,825 | 1,052,197 |
| Professional fees, trust fees, and contract services | 3,628 | 42,442 | 1,253 | - | 44,408 | 17,050 | 108,781 |
| Supplies | 25,009 | 17,969 | 3,211 | 1,400 | 15,965 | 1,895 | 65,449 |
| Telephone | 1,530 | 12,197 | 149 | 134 | 1,114 | 9,096 | 24,220 |
| Postage and shipping | 30 | 452 | 158 | 60 | 586 | - | 1,286 |
| Occupancy | 9,153 | 41,079 | 896 | 675 | 6,191 | 34,483 | 92,477 |
| Repairs and maintenance | 1,128 | 33,161 | 319 | 83 | 766 | 64,443 | 99,900 |
| Advertising | 608 | - | 358 | 415 | 4,901 | - | 6,282 |
| Local transportation | - | 723 | - | - | 102 | - | 825 |
| Conferences, conventions, and meetings | 235 | 1,275 | - | 400 | 274 | - | 2,184 |
| Assistance to individuals | 2,233 | 747,613 | 35,950 | 1,100 | 4,094 | - | 790,990 |
| Organization dues | 264 | - | - | - | 15,229 | 28 | 15,521 |
| Insurance | 2,169 | 10,961 | 221 | 134 | 4,461 | 12,454 | 30,400 |
| Miscellaneous | 358 | 6,845 | - | - | 64,279 | 10,166 | 81,648 |
| Operating expenses | 265,397 | 1,425,657 | 58,160 | 87,135 | 354,371 | 181,440 | 2,372,160 |
| Amortization | - | - | - | - | - | 3,912 | 3,912 |
| Depreciation | - | - | - | - | 78,970 | 280,898 | 359,868 |
| Total expenses | <u>\$ 265,397</u> | <u>\$ 1,425,657</u> | <u>\$ 58,160</u> | <u>\$ 87,135</u> | <u>\$ 433,341</u> | <u>\$ 466,250</u> | <u>\$ 2,735,940</u> |

See accompanying notes to consolidated financial statements

YWCA MAHONING VALLEY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES (CONTINUED)
For the year ended December 31, 2021

| | PROGRAM SERVICES | | | SUPPORTING SERVICES | | YWCA of Youngstown Housing, LLC | Total |
|---|-------------------|------------------------------------|-------------------|---------------------------|-------------------|---------------------------------------|-------|
| | Youth Services | Housing and Supportive Services | Empowerment | Management and General | | | |
| Salaries and wages | \$ 185,653 | \$ 435,760 | \$ 53,889 | \$ 152,903 | \$ 23,649 | \$ 851,854 | |
| Employee benefits | 27,802 | 66,261 | 7,095 | 25,091 | 4,006 | 130,255 | |
| Total salaries and related expenses | <u>213,455</u> | <u>502,021</u> | <u>60,984</u> | <u>177,994</u> | <u>27,655</u> | <u>982,109</u> | |
| Professional fees, trust fees, and contract services | 3,025 | 31,211 | 1,314 | 45,961 | 16,536 | 98,047 | |
| Supplies | 14,928 | 13,903 | 1,111 | 11,120 | 1,342 | 42,404 | |
| Telephone | 2,743 | 11,820 | 314 | 1,900 | 10,230 | 27,007 | |
| Postage and shipping | 48 | 469 | 358 | 2,097 | - | 2,972 | |
| Occupancy | 8,217 | 41,875 | 1,494 | 4,465 | 33,035 | 89,086 | |
| Repairs and maintenance | 1,485 | 31,449 | 214 | 881 | 51,677 | 85,706 | |
| Advertising | 846 | - | 2,314 | 6,008 | - | 9,168 | |
| Local transportation | 37 | 1,372 | 42 | 2,483 | - | 3,934 | |
| Conferences, conventions, and meetings | 165 | - | - | 800 | 90 | 1,055 | |
| Assistance to individuals | 4,853 | 506,748 | 38,450 | 3,684 | - | 553,735 | |
| Organization dues | 504 | 300 | - | 15,110 | 37 | 15,951 | |
| Insurance | 1,877 | 10,672 | 341 | 4,145 | 12,017 | 29,052 | |
| Miscellaneous | 433 | 1,758 | - | 64,407 | 9,890 | 76,488 | |
| Operating expenses | <u>252,616</u> | <u>1,153,598</u> | <u>106,936</u> | <u>341,055</u> | <u>162,509</u> | <u>2,016,714</u> | |
| Amortization | - | - | - | - | 3,912 | 3,912 | |
| Depreciation | - | - | - | 88,255 | 281,226 | 369,481 | |
| Total expenses | <u>\$ 252,616</u> | <u>\$ 1,153,598</u> | <u>\$ 106,936</u> | <u>\$ 429,310</u> | <u>\$ 447,647</u> | <u>\$ 2,390,107</u> | |

See accompanying notes to consolidated financial statements

YWCA MAHONING VALLEY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended December 31, 2022 and 2021

| | 2022 | 2021 |
|---|--------------|--------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Change in net assets | \$ (938,868) | \$ (374,812) |
| Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities: | | |
| Lease expense | 62,874 | - |
| Depreciation | 359,868 | 369,481 |
| Amortization | 3,912 | 3,912 |
| Net unrealized investment loss (gain) | 500,196 | (246,180) |
| (Increase) decrease in operating assets: | | |
| Provision for doubtful accounts | (3,104) | 1 |
| Accounts receivable | (11,796) | (3,258) |
| Unconditional free rent | - | 23,950 |
| Prepaid rent | - | 38,950 |
| Prepaid expenses | 5,328 | 5,328 |
| Increase (decrease) in operating liabilities: | | |
| Accounts payable | 4,513 | 313 |
| Accrued liabilities - payroll | 24,240 | 7,590 |
| Accrued liabilities - payroll taxes | 1,261 | 568 |
| Prepaid rent | 1,208 | - |
| Tenant security deposits liability | 942 | (426) |
| Other liabilities | 165,000 | - |
| Net cash provided by (used in) operating activities | 175,574 | (174,583) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Sale (purchase) of investments | 93,097 | (393,578) |
| Purchase of property and equipment | (157,542) | (21,849) |
| Net cash used in investing activities | (64,445) | (415,427) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from mortgage loans | 50,000 | - |
| Net cash provided by financing activities | 50,000 | - |
| NET CHANGE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH | 161,129 | (590,010) |
| CASH, CASH EQUIVALENTS AND RESTRICTED CASH AT BEGINNING OF YEAR | 815,249 | 1,405,259 |
| CASH, CASH EQUIVALENTS AND RESTRICTED CASH AT END OF YEAR | \$ 976,378 | \$ 815,249 |
| Cash and cash equivalents | \$ 750,761 | \$ 593,747 |
| Restricted cash | 225,617 | 221,502 |
| Total cash, cash equivalents and restricted cash | \$ 976,378 | \$ 815,249 |
| SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION | | |
| Increase in right-of-use assets and decrease in unconditional free rent receivable | \$ 139,708 | \$ - |
| Increase in right-of-use assets and decrease in prepaid rent | \$ 227,208 | \$ - |

See accompanying notes to consolidated financial statements

YWCA MAHONING VALLEY AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

1. Organization

The Young Women’s Christian Association of Youngstown, Ohio (“YWCA”) was founded November 1, 1904 for the spiritual, intellectual, social and physical development of young women. More recently YWCA is on a mission to eliminate racism, empower women, and promote peace, justice, freedom, and dignity for all. On November 13, 2007, YWCA formed two for-profit subsidiaries, YWCA of Youngstown Housing, Inc. (“YWCA, Inc.”) and YWCA of Youngstown Housing, LLC (“YWCA, LLC”), to complete a building renovation project. During 2010, YWCA, LLC began operating and leasing the property as a qualified low-income housing project (the “Property”) within the meaning of Section 42 of the Internal Revenue Code (“Section 42”).

The Young Women’s Christian Association of Warren, Ohio (“YWCAW”) was founded in 1915 and became affiliated with the National Young Women’s Christian Association the following year. YWCAW is dedicated to eliminating racism, empowering women, and promoting peace, justice, freedom and dignity for all. The association is supported primarily through donor contributions, grants, program fees, and investment income.

On May 1, 2018, YWCA Mahoning Valley (“YWCAMV”) was formed. YWCAMV was organized by YWCAW and YWCA merging into one nonprofit organization.

YWCA, Inc., an Ohio corporation, is the managing member of YWCA, LLC and is 75% owned by YWCAMV and 25% owned by Neighborhood Development Services, Inc.

YWCA, LLC, an Ohio limited liability company, was formed to acquire, construct, own, finance, lease and operate the property at 25 West Rayen Avenue in Youngstown, Ohio as a qualified low-income housing project within the meaning of Section 42 and eventually sell or dispose of the Property. The Property was renovated as a historic rehabilitation project in accordance with Section 47 of the Internal Revenue Code (“IRC Section 47”) and Section 149.311 of the Ohio Revised Code (“ORC Section 149.311”). The Property received federal low-income housing tax credits (“LIHTCs”), federal historic tax credits (“HTCs”) and state historic tax credits (“State HTCs”) (collectively, the “Tax Credits”). In addition, the Property received funds from the tax credit exchange (“TCE”) program under the American Recovery and Reinvestment Act of 2009 (“ARRA”) in the amount of \$589,578. YWCA, LLC’s participation in the low-income housing tax credit program requires YWCA, LLC to enter and be bound by a restrictive covenant. The covenant states that 100% of the Property must be maintained as low-income housing for an initial compliance period of 15 years, and for the extended use period of an additional 15 years, unless terminated after the end of the initial 15 year period. In addition, the covenant requires rent restrictions so that units can be rented at a level that is affordable to persons with income at or below specific percentages of the area median gross income (“AMGI”). Income restrictions require 100% of the units to be occupied by households with income at or below 60% of AMGI. Rent restrictions require rent on 100% of the units to be affordable to tenants in an amount at or below 60% of AMGI.

Under the terms of the original Operating Agreement dated November 13, 2007, the initial sole member was YWCA, Inc. Pursuant to the Amended and Restated Operating Agreement dated December 30, 2008, YWCA, LLC admitted Ohio Equity Fund for Housing Limited Partnership XVIII (“Fund XVIII”) as the initial investor member. Pursuant to the Second Amended and Restated Operating Agreement dated June 30, 2009 (the “Operating Agreement”), YWCA, LLC admitted OEF Huntington Fund I, LLC (“Huntington Fund”) as an additional investor member. Fund XVIII and the Huntington Fund are collectively referred to as the “Investor Members”.

YWCA MAHONING VALLEY AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

1. Organization (continued)

YWCA, Inc. and Investor Members own 0.1% and 99.9% (Fund XVIII owns 50.949% and Huntington Fund owns 48.951%), respectively, of YWCA, LLC.

Pursuant to the Second Amendment to Second Amended and Restated Operating Agreement, YWCA, Inc. is required to make capital contributions to YWCA, LLC totaling \$3,218,502. As of December 31, 2022, YWCA, Inc. had made all required contributions. Under the terms of the Operating Agreement, the Investor Members are required to provide capital contributions in the aggregate amount of \$4,574,216. Fund XVIII is required to contribute capital contributions totaling \$2,332,857 and Huntington Fund is required to contribute capital contributions totaling \$2,241,359. As of December 31, 2022, Fund XVIII had contributed \$2,332,846. As of December 31, 2022, Huntington Fund had contributed \$2,241,361. The remaining required capital contributions of the Investor Members will be made upon certain milestones, as defined in the Operating Agreement.

YWCAMV owns and maintains The Women Inspiring Nurturing Gaining Strength (“WINGS”) Permanent Supportive Housing Apartments for homeless individuals and families, operating at 131 Monroe Street Northwest, Warren, Ohio in accordance with Warren Building Code standards. The project was established June 14, 2014. The project is mandated by The U.S. Department of Housing and Urban Development (“HUD”) for a 20 year affordability period on all 12 units of permanent supportive housing. An applicant qualifies by having household income at or below 50% of the median income as defined by HUD and is preferred to be youth aging out of foster care, homeless women with a disability, woman who have been victims of domestic violence, or homeless women. Priority for new admissions will be given to applicants who meet one or more of the preferences listed in the Tenant Selection Plan. Applicants must have documentation to substantiate they meet one or more preferences. Applicants must be “eligible” under the program guidelines and must also meet the suitability criteria for the project. The guidelines are not discretionary and cannot be changed or modified without permission from the funders. The suitability criteria is what the Owner/Agent (“O/A”) has determined will best contribute to the success of the project’s financial goals, the success of the community and the wellbeing of the those that live in and around the project. The rent must be affordable to the tenant. Affordable is defined as 1) the unit/tenant is receiving subsidy from one or more sources that is based on the tenant’s income or 2) For units/tenants that do not receive assistance, tenants meet the minimum income threshold for the project. Applicants will not be denied housing because of inability to pay. The project has two assisted units; rents for tenants whose incomes do not exceed HUD published HOME very low- income limits and rents for tenants whose incomes do not exceed the HUD published HOME low income limits. There will be five Ohio Housing Finance Agency (“OHFA”) units, and six HOME units. Per the Housing Development Assistance Program (“HDAP”) funding agreement, OHFA monitors units as there are no project based units. The project must remain in compliance and has several sources of funding, each of which are unique. These standards are incorporated in the funding agreements but do not encompass all the compliance criteria. HDAP highlights the project has received funding from OHFA’s HDAP program. The project is required to recertify tenants prior to engaging in a lease and every six years thereafter. The six years will begin from the date of move in. For interim years a Tenant Income Certification (“TIC”) can be done based on a self-declaration of income and assets. O/A’s must use the Section 8 definition of income for HDAP units. Income verifications must be completed no more than 120 days prior to the resident’s occupancy of the HDAP unit. See Section 8 rules. The Project is required to submit an HDAP report annually. YWCAMV will gather the data using the HDAP resident data tab. HDAP reporting period is Jan 1st to December 31st each year. The HDAP Report is due March 1st of each year to OHFA. Federal Home Loan Bank (“FHLB”) highlights rent is not to exceed levels under Section 10(j) of the FHLB Act and 12 CFR Part 1291.

YWCA MAHONING VALLEY AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

1. Organization (continued)

Typically, 30% of the household's adjusted monthly income, and the O/A must complete an Owner's Certificate of Continuing Program Compliance annually to Federal Home Loan Bank certifying the income, rent and other project related issues are in compliance with terms of the agreement.

Self-Certifications for HOME Program-funded Projects, the HOME Program requires a full, third-party verified, certification of income and assets at move-in and every 6th year. During the interim years (years 2-5), only a "self-certification" of income and assets is required. When completing the self-certification, the Sworn Income and Asset Statement, or similar form, may be used to gather information to prepare the self-certification. The self-certification of income should then be completed using the OHFA Tenant Income Certification in DEVCO, an OHFA database compliance tracking system. HOME Program interim year certifications must be completed using the OHFA TIC. This property has HOME assistance from a City or County Participating Jurisdiction. A contracted inspector from the City of Warren monitors the HOME program.

The YWCA Kensington Liberation Station project ("Kensington") located at 1309 Kensington Avenue, Youngstown, Ohio (consisting of 1309, 1311, 1313, 1315 and 1317 Kensington Avenue) shall be used solely for the purpose of supportive services for homeless families and individuals in need, including veterans with families at risk of homeless. All 5 units are restricted to this purpose, and two of the five are HOME funded. Kensington is funded by HOME and Capital Funding to End Homelessness Initiative ("CFEHI"). CFEHI was set up and guidelines were set by both OHFA and Ohio Development Services Agency ("ODSA"). The affordability period shall commence on the final performance report deadline of December 1, 2018 as defined in the Funding Agreement. The affordability period shall continue for a period of the ten years ending on December, 1, 2028, per OHFA. Annual status reports are completed every January for OHFA. According to the HOME grant agreement, YWCAMV will assure through HUD income guidelines that HUD-assisted units are occupied by eligible households. The eligibility of households for HOME assistance varies with the nature of the funded activity. At least 20 percent of the units must be occupied by families with incomes that do not exceed 50 percent of the HUD-adjusted median. The HOME-assisted units of this project will meet all affordability requirements (including minimum periods as well as long-term affordability) as determined in 24 CFR 92.252 (rental) or 92.254 (owner-occupied property), as applicable.

2. Summary of significant accounting policies and nature of operations

Principles of consolidation

The consolidated financial statements include the accounts of YWCAMV, its majority owned subsidiary, YWCA, Inc., and its minority owned subsidiary, YWCA, LLC (collectively, "YWCAMV and Subsidiaries"). All material intercompany transactions have been eliminated.

Basis of presentation

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

YWCA MAHONING VALLEY AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

2. Summary of significant accounting policies and nature of operations (continued)

Net assets classification

YWCAMV is required to report information regarding its financial position and activities according to two classes of net assets. A description of the two categories is as follows:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed stipulations that may or will be expendable by the board for any purpose in performing YWCAMV's primary objectives.

Net assets with donor restrictions: Net assets that are subject to donor-imposed stipulations that may or will be met either by YWCAMV's actions and/or the passage of time.

Estimates

The preparation of consolidated financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

Economic concentrations

YWCA, LLC operates one property located in Youngstown, Ohio. Future operations could be affected by changes in economic or other conditions in that geographical area or by changes in federal low-income housing subsidies or the demand for such housing.

Cash and cash equivalents

Cash and cash equivalents include all cash balances on deposit with financial institutions and highly liquid investments with a maturity of three months or less at the date of acquisition. Restricted cash is not considered cash and cash equivalents.

Concentration of credit risk

YWCAMV and Subsidiaries maintain their cash in bank deposit accounts which, at times, may exceed federally insured limits. YWCAMV and Subsidiaries have not experienced any losses in such accounts. YWCAMV and Subsidiaries believe they are not exposed to any significant credit risk on cash and cash equivalents.

Fixed assets and depreciation

Land is recorded at cost. Building is recorded at cost and is depreciated over its estimated useful lives of 27.5 to 39 years under the straight-line method. Construction costs, including construction period interest, are capitalized as building improvements and are depreciated over 27.5 and 39 years under the straight-line method. Site improvements are recorded at cost and depreciated over their estimated useful lives of 15 years. Furniture, equipment and vehicles are recorded at cost and depreciated over their estimated useful lives of 5 to 10 years. YWCAMV and Subsidiaries commence recording depreciation on the building and building improvements when placed in service. Depreciation expense for the years ended December 31, 2022 and 2021 was \$359,868 and \$369,481, respectively.

The TCE funds of \$589,578 are being accounted for under the International Accounting Standards 20 *Accounting for Government Grants*. Under this guidance, the TCE funds received are recorded as a reduction of building and improvements and are being depreciated using the straight-line method over 27.5 years, which is the life of the building and improvements.

YWCA MAHONING VALLEY AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

2. Summary of significant accounting policies and nature of operations (continued)

Deferred charges and amortization

Tax credit and compliance fees are amortized on a straight-line basis over the 15-year tax credit period. Amortization expense for each of the years ended December 31, 2022 and 2021 was \$3,912.

Impairment of long-lived assets

YWCAMV and Subsidiaries review their long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Recoverability is measured by a comparison of the carrying amount to the future net undiscounted cash flows expected to be generated and any estimated proceeds from the eventual disposition. If the long-lived assets are considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount exceeds the fair value as determined from an appraisal, discounted cash flows analysis, or other valuation technique. There were no impairment losses recognized for the years ended December 31, 2022 and 2021.

Income taxes

YWCAMV is a not-for-profit organization exempt from income tax under Section 501(c)(3) of the Internal Revenue Code and is exempt from similar state and local taxes.

Income taxes on YWCA, LLC income are levied on the members at the member level. Accordingly, all profits and losses of YWCA, LLC are recognized by each member on its respective tax return.

YWCA, Inc. is taxed as a corporation. For each of the years ended December 31, 2022 and 2021, YWCA, Inc. had no taxable income.

The preparation of consolidated financial statements in accordance with accounting principles generally accepted in the United States of America requires YWCAMV and Subsidiaries to report information regarding their exposure to various tax positions taken by YWCAMV and Subsidiaries. YWCAMV and Subsidiaries have determined whether any tax positions have met the recognition threshold and have measured YWCAMV and Subsidiaries' exposure to those tax positions. Management believes that YWCAMV and Subsidiaries have adequately addressed all relevant tax positions and that there are no unrecorded tax liabilities. Federal and state taxing authorities generally have the right to examine and audit the previous three years of tax returns filed. Any interest or penalties assessed to YWCAMV and Subsidiaries are recorded in operating expenses. No interest or penalties from federal or state taxing authorities were recorded in the accompanying consolidated financial statements.

Unconditional free rent receivable, prepaid rent, and right-of-use assets

During 2017, YWCAW entered into an agreement to sell a building. The agreed upon selling price for the building was \$389,500. As part of the agreement, YWCAMV would continue to occupy a portion of the building using the selling price to offset the cost of rent for the ten year lease period. As a result, \$389,500 was recorded as prepaid rent from this transaction. In addition, an unconditional rent receivable in the amount of \$239,500 was also recorded for the difference between the fair market value of the rent and the building proceeds used to offset rent. As of December 31, 2021, the balance of the unconditional free rent receivable was \$139,708, and the balance of the prepaid rent was \$227,208. The unconditional free rent receivable and prepaid rent are recognized on the straight-line method over the 10 year term of the lease. As of January 1, 2022, the unconditional free rent receivable and the prepaid rent were recorded as right-of-use assets of \$366,916. For the years ended December 31, 2022 and 2021, \$62,874 and \$62,900 of lease expense was recognized, respectively, and is included in miscellaneous expense on the consolidated statements of functional expenses.

YWCA MAHONING VALLEY AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

2. Summary of significant accounting policies and nature of operations (continued)

Accounts receivable and bad debts

Accounts receivable consist of receivables due from the daycare program participants, housing program participants, tenants of YWCA, LLC, and grants and are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectable amounts through a provision for doubtful accounts and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written-off through a charge to the valuation allowance and a credit to accounts receivable. As of December 31, 2022 and 2021, management concluded that an allowance for doubtful accounts of \$4,741 and \$7,845, respectively, is necessary.

Revenue recognition

YWCAMV's grants, gifts, and bequests are recognized when the donor makes a promise to give that is, in substance, unconditional. Conditional promises to give are recognized when conditions on which they depend are substantially met. Upon recognition as revenue, grants, gifts, and bequests are recorded as net assets with donor restrictions or net assets without donor restrictions based on the directions of the donor. When a restriction expires, net assets with donor restrictions are released to net assets without donor restrictions. Grants, gifts, and bequests that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire within the fiscal year in which the revenue is recognized. Unconditional promises to give to be funded in subsequent years are reported at their present value, using risk-free interest rates applicable to years in which the promises are to be received.

YWCA, LLC is the lessor of the Property and accounts for tenant leases as operating leases. YWCA, LLC determines if a contract is a lease or contains a lease at inception. At the commencement of an operating lease, no income is recognized; subsequently, lease payments received are recognized on a straight-line basis. YWCA, LLC's rental income is recognized as rents become due. Rental payments received in advance are deferred until earned. All leases between YWCA, LLC and the tenants of the Property are operating leases. Tenants receive rental subsidies from Youngstown Metropolitan Housing Authority ("YMHA"). Annual adjustments to the rents are provided for by YMHA. Other revenue is from fees for late payments, cleaning, damages and laundry facilities and is recorded when earned.

Contributions

YWCAMV and Subsidiaries recognize contributions as revenue in the period in which the pledge (unconditional promise to give) is received.

Donated services and assets

A number of volunteers have donated significant amounts of their time to YWCAMV's programs and administrative services. The value of these donated services is not included in the consolidated financial statements of YWCAMV and Subsidiaries as such services do not materially affect non-financial assets or require specialized skills.

YWCA MAHONING VALLEY AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

2. Summary of significant accounting policies and nature of operations (continued)

Fair value measurements

YWCAMV and Subsidiaries apply the accounting provisions related to fair value measurements. These provisions define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, establish a hierarchy that prioritizes the information used in developing fair value estimates and require disclosure of fair value measurements by level within the fair value hierarchy. The hierarchy gives the highest priority to quoted prices in active markets (Level 1 measurements) and the lowest priority to unobservable data (Level 3 measurements), such as the reporting entity's own data. These provisions also provide valuation techniques, such as the market approach (comparable market prices), the income approach (present value of future income or cash flows) and the cost approach (cost to replace the service capacity of an asset or replacement cost).

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The three levels of valuation hierarchy are defined as follows:

Level 1: Observable inputs such as quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2: Inputs other than quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3: Unobservable inputs that reflect YWCAMV and Subsidiaries' own assumptions.

The table below presents amounts for significant items measured at fair value on a recurring basis as of December 31:

| Accounts | 2022 Level 1 | 2021 Level 1 |
|--------------------------|-----------------|-----------------|
| Money Market Accounts | \$ 156,543 | \$ 109,298 |
| Equity Investments | 1,256,987 | 1,581,962 |
| Mutual Funds | 211,779 | 458,497 |
| Fixed Income Investments | 739,677 | 808,522 |
| Total | \$ 2,364,986 | \$ 2,958,279 |

Realized gains on the sale of mutual funds were \$36,241 and \$77,081 for the years ended December 31, 2022 and 2021, respectively. Unrealized (losses) gains on investments were (\$500,196) and \$246,180 for the years ended December 31, 2022 and 2021, respectively.

Investments

Investment purchases and sales are accounted for on a trade-date basis. Realized gains and losses are calculated based upon the underlying cost of individual lots. Interest income is recorded when earned and dividends are recorded on the ex-dividend date.

YWCA MAHONING VALLEY AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

2. Summary of significant accounting policies and nature of operations (continued)

Investments (continued)

Investments are made according to the investment policy adopted by YWCAMV's Board of Directors. The guidelines provide for investment in equities, fixed income, and other securities with performance measured against appropriate indices. Outside advisors are utilized by YWCAMV for the purpose of providing investment and consulting advice.

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

Advertising

Advertising costs are expensed as incurred. The cost of materials designed to generally promote the programs of YWCAMV and Subsidiaries is considered advertising. For the years ended December 31, 2022 and 2021, YWCAMV and Subsidiaries' advertising expenses were \$6,282 and \$9,168, respectively.

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 account, which is a hypothetical account to which contribution and interest credits are made monthly. Contributions of a specific percentage of gross compensation are made by participating employers on behalf of eligible plan participants. Besides contribution and interest credits, other components of a participant's account consist of Fund matching contributions and Optional Employee After-Tax Contributions, 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 Fund is governed by a written plan document (copies available upon request), constitution, and by-laws. The Fund is subject to the provisions of the Employee Retirement Income Security Act ("ERISA") of 1974, as amended, and is qualified under Section 401(a) of the Internal Revenue Code. The amount of retirement expense incurred for the years ended December 31, 2022 and 2021 for payments to the retirement fund on behalf of employees covered totaled \$23,833 and \$23,282, respectively, and is included in total salaries and related expenses on the consolidated statements of functional expenses.

Functional allocation of expenses

YWCA Mahoning Valley utilizes various strategies for allocating expenses. Allocation methods used include direct allocations, utilization of time studies and time logs, historical data, and building square footage. Occupancy distributions are measured by building square footage between the non-profit cost centers and YWCA, LLC at the main building on Rayen Ave, Youngstown, Ohio. Expenses allocated by occupancy include property insurance, indirect supplies, main location communications, building costs, and non-program specific equipment costs. Personnel distribution is calculated based on average number employees in each program area, by total employees. This distribution is used for consumable supplies as more employees contribute to more usage. Warren location occupancy is split between housing, youth and general programs. Expenses direct and restricted to management and general only include board liability insurance, room rentals, organizational memberships, and depreciation. Audit expenses are allocated on time and efforts required to properly evaluate program areas. Direct program expenses include contract services, shipping, licenses, equipment costs, supplies, advertising, transportation, trainings, Kensington rental property, and assistance to individuals. Vehicles owned and related insurance are allocated based on clients in supportive housing programs. Payroll, employee costs, and administrative trainings are allocated through distribution codes determined based on time studies and time logs, job descriptions, historical relevance, and direct allocations. Expense allocations are reviewed on an ongoing basis to ensure accuracy and relevance.

YWCA MAHONING VALLEY AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

2. Summary of significant accounting policies and nature of operations (continued)

Change in accounting principle

In February 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Codification (“ASC”) 842, *Leases* (“FASB ASC 842”) to increase transparency and comparability among organizations by requiring the recognition of lease assets and lease liabilities on the balance sheet by lessees and the disclosure of key information about leasing arrangements.

FASB ASC 842 was adopted January 1, 2022, and any adjustment necessary was recognized through a cumulative effect adjustment, with certain practical expedients available. Lease disclosures for the year ended December 31, 2021, are made under prior lease guidance in FASB ASC 840.

With respect to tenant leases, FASB ASC 842 did not have a material impact on the financial statements.

As a result of the adoption of FASB ASC 842, on January 1, 2022, the unconditional free rent receivable and the prepaid rent were recorded as right-of-use assets of \$366,916.

Subsequent events

Subsequent events have been evaluated through September 25, 2023, which is the date the consolidated financial statements were available to be issued, and there are no subsequent events requiring disclosure.

3. Liquidity and availability of financial assets

The following represents YWCAMV’s financial assets as of December 31:

| | <u>2022</u> | <u>2021</u> |
|---|-------------------|-------------------|
| Financial assets at year end: | | |
| Cash and cash equivalents | \$ 743,105 | \$ 578,559 |
| Investments, at fair value | 2,364,986 | 2,958,279 |
| Net receivables | 40,883 | 15,352 |
| Related party receivables | 44,032 | 62,482 |
| Notes receivable – Home Funds | 400,000 | 400,000 |
| | <u>3,593,006</u> | <u>4,014,672</u> |
| Less amounts not available to be used within one year: | | |
| Notes receivable – Home Funds | (400,000) | (400,000) |
| Net assets with donor restrictions | (426,020) | (297,046) |
| Net assets – board designated | (2,216,987) | (2,810,279) |
| Financial assets available to meet general expenditures over the next twelve months | <u>\$ 549,999</u> | <u>\$ 507,347</u> |

YWCAMV has \$3,593,006 and \$4,014,672 of financial assets as of December 31, 2022 and 2021, respectively, consisting of cash and cash equivalents of \$743,105 and \$578,559, respectively, accounts receivables net of allowance for uncollectable of \$40,883 and \$15,352, respectively, short-term investments of \$2,364,986 and \$2,958,279, respectively, related party receivables of \$44,032 and \$62,482, respectively, and notes receivable – Home Funds of \$400,000 for both years. The accounts receivable relate to client bills and grant agreements that are expected to be collected within one year. Client bills for childcare services are reduced by an allowance for uncollectable of one percent, and housing client bills at five percent. These allowances are evaluated and adjusted annually. Short-term investments are the cash and cash equivalents and bond investments that have a maturity date within one year.

YWCA MAHONING VALLEY AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

3. Liquidity and availability of financial assets (continued)

YWCAMV ensures there are financial assets available as its general expenditures, liabilities, and other obligations come due. In addition, as part of its liquidity management YWCAMV invests cash in excess of daily requirements in various short-term investments, including certificates of deposit and short-term treasury instruments.

YWCAMV monitors cash daily to evaluate both short-term and long-term liquidity. Grants that are able to be drawn upon are done so as often as needed and in compliance with guidelines set by each grant source. YWCAMV is able to carry over enough excess cash from the prior month to cover expenses that are based on reimbursement, rather than billing ahead of expenses. Accounts receivable and accounts payable are reviewed monthly to ensure the timing of income and expenses aligns with the available cash needed.

4. Restricted cash

Tenant security deposits

Tenant security deposits are placed into an account and are generally held until termination of the lease, at which time some or all deposits may be returned to the lessee. As of December 31, 2022 and 2021, the balance was \$6,157 and \$5,298, respectively.

Operating reserve

Pursuant to the terms of its Operating Agreement, YWCA, LLC is required to establish an operating reserve of \$122,822, which is to be used to fund operating expenses and debt service payments. An initial amount of \$40,961 was funded at the time of the Second Installment, as defined in its Operating Agreement. The remaining amount of \$81,861 was funded with YWCA's Investor Members' fourth and fifth capital contributions. YWCA, LLC is required to maintain the operating reserve for a period of 15 years from the time the Property receives the certificate of occupancy. No withdrawals may be made without the approval of the Investor Members and withdrawals may not be below \$1,000. The operating reserve is required to be held in a segregated bank account controlled by the Investor Members. As of December 31, 2022 and 2021, the operating reserve balance was \$121,559 and \$123,574, respectively.

Replacement reserve

YWCA, LLC is required to establish a replacement reserve under the terms of its Operating Agreement of \$300 per unit per year, increasing by three percent annually, to make capital improvements to the Property. Payments are to be funded ratably on a monthly basis and will commence with respect to each unit with the month such unit is placed in service. The replacement reserve account shall be held in a segregated bank account controlled by the Investor Members. As of December 31, 2022 and 2021, the replacement reserve balance was \$49,973 and \$44,736, respectively.

Cash flow deficit reserve

YWCA, LLC is required to establish a cash flow deficit reserve under the terms of the First Amendment to the Second Amended and Restated Operating Agreement of \$46,996. The cash flow deficit reserve account shall be held in a segregated bank account controlled by the Investor Members. As of December 31, 2022 and 2021, the cash flow deficit reserve balance was \$47,928 and \$47,894, respectively.

YWCA MAHONING VALLEY AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

5. Consolidated net assets

The following schedule summarizes the changes in consolidated net assets without donor restrictions attributable to the controlling and noncontrolling interests in YWCA, LLC and YWCA, Inc. for the years ended December 31, 2022 and 2021.

| | Controlling Interest | Noncontrolling Interest | Total |
|----------------------------|-------------------------|----------------------------|---------------------|
| Balance, December 31, 2020 | \$ 8,642,406 | \$ 1,191,442 | \$ 9,833,848 |
| Change in net assets | (83,629) | (290,818) | (374,447) |
| Balance, December 31, 2021 | 8,558,777 | 900,624 | 9,459,401 |
| Change in net assets | (759,290) | (308,552) | (1,067,842) |
| Balance, December 31, 2022 | <u>\$ 7,799,487</u> | <u>\$ 592,072</u> | <u>\$ 8,391,559</u> |

Net assets with donor restrictions are all attributable to controlling interest.

6. Net assets with donor restrictions

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

| Subject to expenditure for specific purpose: | 2022 | 2021 |
|--|-------------------|-------------------|
| Bright Futures – Scholarship | \$ 8,500 | \$ 11,000 |
| Bright Futures | 1,000 | - |
| Nancy Morris Funds | 99,420 | 119,505 |
| Capital Funds | - | 4,402 |
| Endowment Donor Restricted Funds | 148,000 | 148,000 |
| International Women’s Day | 3,000 | 2,500 |
| Van Huffer – Girls Camp | 1,000 | - |
| Pollock – Woman Artists | - | 7,500 |
| Watson Foundation | 10,000 | 2,139 |
| Kiwanis for Girls Camp | 3,000 | 2,000 |
| Crandall Memorial Foundation | 25,000 | - |
| Youngstown Foundation – Childcare Expansion | 60,000 | - |
| OCCRRA | 67,100 | - |
| | <u>\$ 426,020</u> | <u>\$ 297,046</u> |

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors for the years ended December 31:

| | 2022 | 2021 |
|--|-------------------|------------------|
| Various grant monies spent on programs | <u>\$ 146,746</u> | <u>\$ 69,361</u> |

YWCA MAHONING VALLEY AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

7. Note payable

YWCAMV entered into an agreement with Bouchai, LLC on October 5, 2022 to finance \$50,000 of the purchase price of certain property located in Youngstown, Ohio. The note is unsecured, bears no interest and is payable in monthly installments of \$1,000 commencing on March 1, 2023 through maturity on May 1, 2027. The balance of the note payable as of December 31, 2022 and 2021 was \$50,000 and \$0, respectively.

Minimum principal payments on the note payable for the next five years as of December 31 are as follows:

| | | |
|------|----|--------|
| 2023 | \$ | 10,000 |
| 2024 | | 12,000 |
| 2025 | | 12,000 |
| 2026 | | 12,000 |
| 2027 | | 4,000 |
| | | 50,000 |
| | \$ | 50,000 |

8. Affordable Housing Program subsidy

YWCA, LLC obtained a subsidy from The Huntington National Bank (the “Lender”) in the original amount of \$1,000,000. The subsidy does not bear interest and YWCA, LLC is required to repay the portion of the subsidy (plus interest, if deemed appropriate by the Lender) that is not used in compliance with the terms of the Affordable Housing Program Agreement during the 15-year compliance period. As of both December 31, 2022 and 2021, the Affordable Housing Program subsidy payable was \$1,000,000.

9. Related party transactions

Asset management fee

Under the terms of the First Amendment to the Second Amended and Restated Operating Agreement, dated September 1, 2011, Ohio Capital Corporation for Housing, an affiliate of Fund XVIII, is entitled to receive an asset management fee for services rendered equal to \$80,000, paid from the proceeds of the second installment of the Investor Members’ capital contributions. As of December 31, 2022, asset management fees of \$80,000 had been paid. The asset management fee is amortized over a period of 15 years. The balance of the prepaid asset management fee as of December 31, 2022 and 2021 was \$16,033 and \$21,361, respectively, and is included in prepaid expenses on the consolidated statements of financial position. For each of the years ended December 31, 2022 and 2021, asset management fee expensed was \$5,328.

Property management fee

YWCA, LLC entered into a Property Management Agreement with Community Properties of Ohio Management Services, LLC (“CPOMS”), an affiliate of Fund XVIII, in October 2011. The Property Management Agreement provides for a property management fee of 7% of gross rental receipts. The fee is split 3% to YWCAMV and 4% to CPOMS. For the years ended December 31, 2022 and 2021, property management fees of \$13,181 and \$13,641, respectively, were incurred.

YWCA MAHONING VALLEY AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

10. Endowment

Board Interpretation of Relevant Law:

YWCAMV's endowment includes board designated funds. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the governing board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

On January 6, 2009, Ohio Governor Ted Strickland signed House Bill 522, which establishes specific requirements under the "Uniform Prudent Management of Institutional Funds Act" regarding the management, investment, and appropriation of institutional funds under the control of charitable institutions.

Endowment funds and a memorial fund to be held in perpetuity totaled \$148,000 as of both December 31, 2022 and 2021. The income from endowment funds is used to fund capital improvements, program development, staff training, salary enhancements and operating emergencies.

Net assets without donor restrictions identified by YWCAMV's Board of Directors to be used for future investment and growth are included in net assets without donor restrictions – board designated.

YWCAMV has interpreted the State Prudent Management of Institutional Funds Act ("SPMIFA") as requiring the 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, YWCAMV classifies as net assets with donor restrictions: (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 in net assets with donor restrictions is classified as net assets without donor restrictions until those amounts are appropriated for expenditure by YWCAMV in a manner consistent with the standard of prudence described by SPMIFA. In accordance with SPMIFA, YWCAMV 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 YWCAMV 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 YWCAMV
- 7) The investment policies of YWCAMV

YWCAMV follows a policy of distributing the interest and dividends, plus an amount determined annually by the board. All income earned by the net assets with donor restrictions endowment is considered net assets without donor restrictions and reported as such.

Most of the board designated funds are intended for future expansion and will be drawn on to finance board approved projects.

YWCA MAHONING VALLEY AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

10. Endowment (continued)

| | <u>Board Designated</u> | <u>With Donor Restrictions</u> | <u>Total</u> |
|---|-----------------------------|------------------------------------|---------------------|
| Endowment net assets – December 31, 2020 | \$ 2,170,521 | \$ 148,000 | \$ 2,318,521 |
| Investment return: | | | |
| Interest and dividends | 66,534 | - | 66,534 |
| Investment fees | (21,133) | - | (21,133) |
| Realized gain | 77,081 | - | 77,081 |
| Unrealized gain | 246,180 | - | 246,180 |
| | <u>2,539,183</u> | <u>148,000</u> | <u>2,687,183</u> |
| Board approved transfers | (128,904) | - | (128,904) |
| Contributions | 400,000 | - | 400,000 |
| Endowment net assets - December 31, 2021 | <u>2,810,279</u> | <u>148,000</u> | <u>2,958,279</u> |
| Investment return: | | | |
| Interest and dividends | 63,643 | - | 63,643 |
| Investment fees | (21,488) | - | (21,488) |
| Realized gains | 36,241 | - | 36,241 |
| Unrealized loss | (500,198) | - | (500,198) |
| | <u>2,388,477</u> | <u>148,000</u> | <u>2,536,477</u> |
| Board approved transfers | (171,493) | - | (171,493) |
| Contributions | 2 | - | 2 |
| Endowment net assets December 31, 2022 | <u>\$ 2,216,986</u> | <u>\$ 148,000</u> | <u>\$ 2,364,986</u> |

Per the merger agreement, the Huntington Endowment has funds of \$148,000 subject to certain donor restrictions and will remain in perpetual, restricted endowment. The remaining Huntington Endowment will be subject to use only for the maintenance and repair of buildings and land owned in Trumbull County and for the administration, implementation, and operations related to women and girls programs in Trumbull County.

YWCA MAHONING VALLEY AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

11. Lease commitments

During 2021, YWCAMV signed a lease under the Transitional Program for a residential rental property. The monthly rental payment was \$3,870 for the 2022 Transitional Program Lease renewal. During 2022 and 2021, YWCAMV signed 25 and 20, respectively, twelve-month agreements under the Scattered Sites Program for various residential rental properties. The leases are classified as operating leases. The monthly rental payments range from \$500 to \$775 per unit. The annual agreements are for new leased property as long as the tenant remains in the YWCA Mahoning Valley program. Rent expense for the years ended December 31, 2022 and 2021 was \$450,644 and \$432,704, respectively.

12. Low-income housing tax credits

The Property has qualified for and has been allocated LIHTCs pursuant to Section 42, which regulates the use of the Property as to occupant eligibility and unit gross rent, among other requirements. The Property must meet the provision of these regulations during each of 15 consecutive years in order to remain qualified to receive the LIHTCs. In addition, the Property has executed an Extended Low-Income Housing Agreement which requires the utilization of the Property pursuant to Section 42 for a minimum of 30 years.

YWCA, LLC's LIHTCs are contingent on its ability to maintain compliance with applicable sections of Section 42. Failure to maintain compliance with tenant income eligibility and rent limits or to correct instances of non-compliance within a reasonable time period could result in recapture of previously claimed LIHTCs plus interest. In addition, any such non-compliance, if it were to occur, may result in an adjustment to the capital contributed by the Investor Members. Because the LIHTCs are subject to compliance with certain requirements, there can be no assurance that the aggregate amount of LIHTCs will be realized, and failure to meet all such requirements or to correct noncompliance within a specified time period may result in generating a lesser amount of LIHTCs than expected in future years, and/or recapture of LIHTCs previously allocated. A reduction of future credits or recapture would require credit deficit payments to the Investor Members under the terms of the Operating Agreement.

YWCA, LLC claimed its final allotment of LIHTCs in 2020 and must maintain compliance through December 31, 2024 to ensure that previously claimed tax credits will not be subject to recapture.

13. Vulnerability – Impact of COVID-19

The severity of the impact of COVID-19 on operations will depend on a number of factors, including, but not limited to, the duration and severity of the pandemic and the extent and severity of the impact on YWCAMV and Subsidiaries' tenants and investees, all of which are uncertain and cannot be predicted. Future results could be adversely impacted by delays in rent collections. Management is unable to predict with absolute certainty the impact of COVID-19 on its financial condition, results of operations or cash flows.



SUPPLEMENTARY INFORMATION

YWCA MAHONING VALLEY AND SUBSIDIARIES
CONSOLIDATING STATEMENTS OF FINANCIAL POSITION
December 31, 2022 (with Comparative Totals for 2021)

ASSETS

| | YWCAMV Non-Profit | YWCA, Inc. | YWCA, LLC | Eliminations | 2022 Consolidated | 2021 Consolidated |
|---|----------------------|---------------------|---------------------|-----------------------|----------------------|----------------------|
| Current assets: | | | | | | |
| Cash and cash equivalents | \$ 743,105 | \$ - | \$ 7,656 | \$ - | \$ 750,761 | \$ 593,747 |
| Receivables: | | | | | | |
| Program participants | 45,624 | - | - | (10,058) | 35,566 | 23,197 |
| Rental income - tenants | - | - | - | - | - | 573 |
| Total receivables | 45,624 | - | - | (10,058) | 35,566 | 23,770 |
| Less: allowance for doubtful accounts | (4,741) | - | - | - | (4,741) | (7,845) |
| Net receivables | 40,883 | - | - | (10,058) | 30,825 | 15,925 |
| Right-of-use assets - current | 62,874 | - | - | - | 62,874 | - |
| Unconditional free rent receivable - current | - | - | - | - | - | 23,950 |
| Prepaid rent - current | - | - | - | - | - | 38,950 |
| Prepaid asset management fee - current | - | - | 5,333 | - | 5,333 | 21,361 |
| Investments, at fair value | 2,364,986 | - | - | - | 2,364,986 | 2,958,279 |
| Total current assets | 3,211,848 | - | 12,989 | (10,058) | 3,214,779 | 3,652,212 |
| Property and equipment: | | | | | | |
| Land | 86,946 | - | 100,000 | - | 186,946 | 150,509 |
| Building | 2,607,344 | - | 7,399,269 | (462,491) | 9,544,122 | 9,538,803 |
| Site improvements | - | - | 786,280 | - | 786,280 | 786,280 |
| Furniture and equipment | 304,328 | - | 95,952 | - | 400,280 | 399,246 |
| Vehicle | 41,579 | - | - | - | 41,579 | 59,549 |
| Construction in progress | 114,752 | - | - | - | 114,752 | - |
| Total property and equipment | 3,154,949 | - | 8,381,501 | (462,491) | 11,073,959 | 10,934,387 |
| Less: accumulated depreciation | (894,043) | - | (3,781,702) | 178,720 | (4,497,025) | (4,155,127) |
| Net property and equipment | 2,260,906 | - | 4,599,799 | (283,771) | 6,576,934 | 6,779,260 |
| Other assets: | | | | | | |
| Right-of-use assets - noncurrent | 241,168 | - | - | - | 241,168 | - |
| Unconditional free rent receivable - noncurrent | - | - | - | - | - | 115,758 |
| Prepaid rent - noncurrent | - | - | - | - | - | 188,258 |
| Prepaid asset management fee - noncurrent | - | - | 10,700 | - | 10,700 | - |
| Restricted deposits and funded reserves | - | - | 225,617 | - | 225,617 | 221,502 |
| Investment in YWCA, LLC | - | 2,940,261 | - | (2,940,261) | - | - |
| Notes receivable - YWCA, LLC | 44,032 | - | - | (44,032) | - | - |
| Notes receivable - Home Funds | 400,000 | - | - | (400,000) | - | - |
| Investment in YWCA, Inc. | 2,207,622 | - | - | (2,207,622) | - | - |
| Deferred charges, net | - | - | 10,610 | - | 10,610 | 14,522 |
| Total other assets | 2,892,822 | 2,940,261 | 246,927 | (5,591,915) | 488,095 | 540,040 |
| Total assets | \$ 8,365,576 | \$ 2,940,261 | \$ 4,859,715 | \$ (5,885,744) | \$ 10,279,808 | \$ 10,971,512 |

See Report of Independent Auditors

YWCA MAHONING VALLEY AND SUBSIDIARIES
CONSOLIDATING STATEMENTS OF FINANCIAL POSITION (CONTINUED)
December 31, 2022 (with Comparative Totals for 2021)

LIABILITIES AND NET ASSETS

| | <u>YWCAMV Non-Profit</u> | <u>YWCA, Inc.</u> | <u>YWCA, LLC</u> | <u>Eliminations</u> | <u>2022 Consolidated</u> | <u>2021 Consolidated</u> |
|---|------------------------------|----------------------------|----------------------------|------------------------------|------------------------------|------------------------------|
| Current liabilities: | | | | | | |
| Accounts payable | \$ 46,789 | \$ - | \$ 10,058 | \$ (10,058) | \$ 46,789 | \$ 42,276 |
| Accrued liabilities: | | | | | | |
| Payroll | 188,095 | - | - | - | 188,095 | 163,855 |
| Payroll taxes | 4,747 | - | - | - | 4,747 | 3,486 |
| Prepaid rent | - | - | 1,208 | - | 1,208 | - |
| Tenant security deposits liability | - | - | 6,390 | - | 6,390 | 5,448 |
| Other liabilities | 165,000 | - | - | - | 165,000 | - |
| Note payable - current portion | 10,000 | - | - | - | 10,000 | - |
| Total current liabilities | <u>414,631</u> | <u>-</u> | <u>17,656</u> | <u>(10,058)</u> | <u>422,229</u> | <u>215,065</u> |
| Long-term liabilities: | | | | | | |
| Note payable - noncurrent portion | 40,000 | - | - | - | 40,000 | - |
| Due to related party | - | - | 44,032 | (44,032) | - | - |
| Notes payable - related party | - | - | 400,000 | (400,000) | - | - |
| Affordable Housing Program subsidy | - | - | 1,000,000 | - | 1,000,000 | 1,000,000 |
| Total long-term liabilities | <u>40,000</u> | <u>-</u> | <u>1,444,032</u> | <u>(444,032)</u> | <u>1,040,000</u> | <u>1,000,000</u> |
| Total liabilities | 454,631 | - | 1,461,688 | (454,090) | 1,462,229 | 1,215,065 |
| Net assets: | | | | | | |
| Net assets without donor restrictions: | | | | | | |
| Undesignated | 5,267,938 | 2,940,261 | 3,398,027 | (6,023,726) | 5,582,500 | 5,748,498 |
| Board designated | 2,216,987 | - | - | - | 2,216,987 | 2,810,279 |
| Noncontrolling interest | - | - | - | 592,072 | 592,072 | 900,624 |
| Net assets with donor restrictions | 426,020 | - | - | - | 426,020 | 297,046 |
| Total net assets | <u>7,910,945</u> | <u>2,940,261</u> | <u>3,398,027</u> | <u>(5,431,654)</u> | <u>8,817,579</u> | <u>9,756,447</u> |
| Total liabilities and net assets | <u>\$ 8,365,576</u> | <u>\$ 2,940,261</u> | <u>\$ 4,859,715</u> | <u>\$ (5,885,744)</u> | <u>\$ 10,279,808</u> | <u>\$ 10,971,512</u> |

See Report of Independent Auditors

YWCA MAHONING VALLEY AND SUBSIDIARIES
CONSOLIDATING STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
For the year ended December 31, 2022 (with Comparative Totals for the year ended December 31, 2021)

| | YWCAMV Non-Profit | YWCA, Inc. | YWCA, LLC | Eliminations | For the year ended December 31, 2022 Consolidated | For the year ended December 31, 2021 Consolidated |
|--|----------------------|---------------------|---------------------|----------------------|---|---|
| REVENUE | | | | | | |
| Contributions | \$ 136,112 | \$ - | \$ - | \$ - | \$ 136,112 | \$ 63,395 |
| Allocations from federated and non-federated campaigns | 90,585 | - | - | - | 90,585 | 86,592 |
| Grants | 1,513,325 | - | - | - | 1,513,325 | 1,057,272 |
| Program service fees | 80,005 | - | - | - | 80,005 | 63,553 |
| Investment income | 75,487 | - | 63 | (11,844) | 63,706 | 66,551 |
| Investment gains (losses) | (463,955) | - | - | - | (463,955) | 323,261 |
| Special events - gross | 41,929 | - | - | - | 41,929 | 26,299 |
| Rental income | 143,153 | - | 190,076 | (5,649) | 327,580 | 314,297 |
| Miscellaneous | 5,093 | - | 2,692 | - | 7,785 | 14,075 |
| Income (loss) from Investee Partnership | - | (309) | - | 309 | - | - |
| Total revenue | <u>1,621,734</u> | <u>(309)</u> | <u>192,831</u> | <u>(17,184)</u> | <u>1,797,072</u> | <u>2,015,295</u> |
| EXPENSES | | | | | | |
| Program services: | | | | | | |
| Youth services | 265,397 | - | - | - | 265,397 | 252,616 |
| Housing and supportive services | 1,425,657 | - | - | - | 1,425,657 | 1,153,598 |
| Empowerment | 58,160 | - | - | - | 58,160 | 106,936 |
| Racial justice/civil rights | 87,135 | - | - | - | 87,135 | - |
| Supporting services: | | | | | | |
| Management and general | 433,341 | - | - | - | 433,341 | 429,310 |
| YWCA LLC | - | - | 501,615 | (35,365) | 466,250 | 447,647 |
| Total expenses | <u>2,269,690</u> | <u>-</u> | <u>501,615</u> | <u>(35,365)</u> | <u>2,735,940</u> | <u>2,390,107</u> |
| CHANGE IN NET ASSETS | (647,956) | (309) | (308,784) | 18,181 | (938,868) | (374,812) |
| Change in net assets attributable to YWCA, LLC noncontrolling interest | - | - | - | 308,475 | 308,475 | 290,745 |
| Change in net assets attributable to YWCA, Inc. noncontrolling interest | - | - | - | 77 | 77 | 73 |
| Change in net assets attributable to YWCAMV Non-Profit | <u>\$ (647,956)</u> | <u>\$ (309)</u> | <u>\$ (308,784)</u> | <u>\$ 326,733</u> | <u>\$ (630,316)</u> | <u>\$ (83,994)</u> |
| NET ASSETS - BEGINNING | \$ 8,558,901 | \$ 2,936,167 | \$ 3,702,408 | \$(5,441,029) | \$ 9,756,447 | \$ 10,131,259 |
| CHANGE IN NET ASSETS | (647,956) | (309) | (308,784) | 18,181 | (938,868) | (374,812) |
| CONTRIBUTIONS | - | 4,403 | 4,403 | (8,806) | - | - |
| NET ASSETS - ENDING | <u>\$ 7,910,945</u> | <u>\$ 2,940,261</u> | <u>\$ 3,398,027</u> | <u>\$(5,431,654)</u> | <u>\$ 8,817,579</u> | <u>\$ 9,756,447</u> |

See Report of Independent Auditors

YWCA MAHONING VALLEY AND SUBSIDIARIES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2022

| <u>Federal Grantor/Pass-through Agent/Program Title</u> | <u>Assistance Listing (AL) Number</u> | <u>Federal Expenditures</u> |
|--|---------------------------------------|-----------------------------|
| Department of Housing and Urban Development: | | |
| Continuum of Care Program | 14.267 | \$ 631,865 |
| Subtotal AL No. 14.267 | | <u>631,865</u> |
| Total Department of Housing and Urban Development Awards | | <u>631,865</u> |
| Department of the Treasury: | | |
| Passthrough: | | |
| City of Youngstown, Ohio: | | |
| Emergency Rental Assistance | 21.023 | 259,468 |
| Subtotal AL No. 21.023 | | <u>259,468</u> |
| Total Department of the Treasury Awards | | <u>259,468</u> |
| Department of Health and Human Services: | | |
| Passthrough: | | |
| Ohio Council of YWCAs: | | |
| Temporary Assistance for Needy Families | 93.558 | 82,381 |
| Subtotal AL No. 93.558 | | <u>82,381</u> |
| Total Department of Health and Human Services Awards | | <u>82,381</u> |
| Department of Agriculture: | | |
| Passthrough: | | |
| Ohio Department of Education: | | |
| Child and Adult Care Food Program | 10.558 | 4,067 |
| Subtotal AL No. 93.558 | | <u>4,067</u> |
| Total Department of Agriculture Awards | | <u>4,067</u> |
| Department of Health and Human Services: | | |
| Passthrough: | | |
| Ohio Department of Job and Family Services: | | |
| Child Care and Development Block Grant | 93.575 | 55,000 |
| Subtotal AL No. 93.575 | | <u>55,000</u> |
| Total Department of Health and Human Services Awards | | <u>55,000</u> |
| Total Expenditures of Federal Awards | | <u>\$ 1,032,781</u> |

See Report of Independent Auditors and accompanying Notes to Schedule of Expenditures of Federal Awards

YWCA MAHONING VALLEY AND SUBSIDIARIES
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2022

1. Basis of presentation

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the expenditures of YWCA Mahoning Valley (an Ohio non-profit public benefit corporation) and Subsidiaries under programs of the federal government for the year ended December 31, 2022. The information in the Schedule is presented in accordance with the requirements of *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*. Therefore, some amounts presented in the Schedule may differ from amounts presented in, or used in the preparation of the basic consolidated financial statements.

For purposes of the Schedule, federal awards include all sub awards to YWCA Mahoning Valley and Subsidiaries by nonfederal organizations pursuant to federal grants, contracts and similar agreements.

2. Summary of significant accounting policies

Expenditures reported in the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*; wherein certain types of expenditures are not allowed. Assistance Listing numbers (“AL No.”) are provided when available.

The Organization elected not to use the 10% de minimis indirect cost rate.

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*

To the Board of Directors of
YWCA Mahoning Valley and Subsidiaries:

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 consolidated financial statements of YWCA Mahoning Valley, which comprise the consolidated statement of financial position as of December 31, 2022, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated September 25, 2023.

Internal Control over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered YWCA Mahoning Valley and Subsidiaries' 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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of YWCA Mahoning Valley and Subsidiaries' internal control. Accordingly, we do not express an opinion on the effectiveness of YWCA Mahoning Valley and Subsidiaries' 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 consolidated 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 or significant deficiencies may exist that were not identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether YWCA Mahoning Valley and Subsidiaries' consolidated 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 statements. 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 YWCA Mahoning Valley and Subsidiaries' internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering YWCA Mahoning Valley and Subsidiaries' internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Novogrodac & Company LLP

September 25, 2023
Dover, Ohio

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors of
YWCA Mahoning Valley and Subsidiaries:

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited YWCA Mahoning Valley and Subsidiaries' compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on YWCA Mahoning Valley and Subsidiaries' major federal program for the year ended December 31, 2022. YWCA Mahoning Valley and Subsidiaries' major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, YWCA Mahoning Valley and Subsidiaries complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2022.

Basis for Opinion on the Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of YWCA Mahoning Valley and Subsidiaries and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of YWCA Mahoning Valley and Subsidiaries' compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to YWCA Mahoning Valley and Subsidiaries' federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on YWCA Mahoning Valley and Subsidiaries' compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about YWCA Mahoning Valley and Subsidiaries' compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding YWCA Mahoning Valley and Subsidiaries' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of YWCA Mahoning Valley and Subsidiaries' internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 YWCA Mahoning Valley and Subsidiaries' internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

Novogradac & Company LLP

September 25, 2023
Dover, Ohio

YWCA MAHONING VALLEY AND SUBSIDIARIES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2022

Section I - Summary of Auditor's Results

Financial Statements

| | | | |
|--|------------|---------|---------------|
| Type of auditors' report issued: | Unmodified | | |
| Internal control over financial reporting: | | | |
| Material weakness(es) identified? | _____ Yes | _____ X | No |
| Significant deficiency(ies) identified not considered to be material weaknesses? | _____ Yes | _____ X | None reported |
| 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 not considered to be material weaknesses? | _____ Yes | _____ X | None reported |
| Type of auditor's report issued on compliance for major programs: | Unmodified | | |
| Audit findings required to be reported in accordance with 2 CFR section 200.516(a)? | _____ Yes | _____ X | No |

Identification of major programs:

| | |
|---------------------|---|
| <u>AL Number(s)</u> | <u>Name of Federal Program or Cluster</u> |
| 14.267 | Continuum of Care |

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

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

YWCA MAHONING VALLEY AND SUBSIDIARIES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

Section II - Financial Statement Findings

There were no findings relating to the financial statements which are required to be reported in accordance with *Government Auditing Standards*.

Section III - Federal Award Findings and Questioned Costs

There were no findings or questioned costs relating to federal awards.