

THE YOUNG WOMEN'S CHRISTIAN ASSOCIATION  
OF CANTON, OHIO AND SUBSIDIARY

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2020 and 2019

THE YOUNG WOMEN'S CHRISTIAN ASSOCIATION  
OF CANTON, OHIO AND SUBSIDIARY

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## Independent Auditors' Report

To the Board of Directors  
The Young Women's Christian Association of  
Canton, Ohio and Subsidiary  
Canton, Ohio

### **Report on the Financial Statements**

We have audited the accompanying consolidated financial statements of The Young Women's Christian Association of Canton, Ohio (a nonprofit organization) and Subsidiary (an Ohio limited liability company), which comprise the consolidated statements of financial position as of December 31, 2020 and 2019, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

### **Management's Responsibility for the 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; this includes 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.

### **Auditors' Responsibility**

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

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

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

## **Opinion**

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of The Young Women's Christian Association of Canton, Ohio and Subsidiary as of December 31, 2020 and 2019, 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.

## **Supplementary Information**

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statements on pages 24 through 27 are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is also not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the 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 information is 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 our report dated March 23, 2021, on our consideration of The Young Women's Christian Association of Canton, Ohio and Subsidiary's 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of The Young Women's Christian Association of Canton, Ohio and Subsidiary's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering The Young Women's Christian Association of Canton, Ohio and Subsidiary's internal control over financial reporting and compliance.



Canton, Ohio  
March 23, 2021

THE YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF CANTON, OHIO AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

December 31, 2020 and 2019

<u>ASSETS</u>	<u>2020</u>	<u>2019</u>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 198,555	\$ 333,465
Investments	2,641,698	2,242,969
Accounts receivable - trade	27,976	27,072
Contributions and grants receivable	447,659	513,479
Note receivable - Investor Member	-	181,572
Prepaid and other assets	45,189	47,803
Total current assets	<u>3,361,077</u>	<u>3,346,360</u>
<b>BENEFICIAL INTEREST IN ASSETS HELD BY STARK COMMUNITY FOUNDATION</b>	1,518,160	1,450,421
<b>BENEFICIAL INTEREST IN FUNDS HELD IN TRUST</b>	715,299	670,421
<b>INVESTMENTS - ENDOWMENT</b>	185,309	170,970
<b>PROPERTY AND EQUIPMENT</b>		
Land and land improvements	883,787	883,787
Building	5,754,690	5,703,132
Building - Gateway	2,712,630	2,704,735
Building - Gateway II	5,233,090	5,233,090
Building - family shelter	1,396,806	1,396,806
Building - New Beginnings Housing	681,083	681,083
Furniture and equipment	1,040,670	962,913
	<u>17,702,756</u>	<u>17,565,546</u>
Less accumulated depreciation	<u>9,518,974</u>	<u>8,948,541</u>
	8,183,782	8,617,005
<b>OTHER ASSETS</b>		
Restricted cash	301,943	282,176
Contributions and grants receivable	-	60,836
	<u>301,943</u>	<u>343,012</u>
<b>TOTAL ASSETS</b>	<u>\$ 14,265,570</u>	<u>\$ 14,598,189</u>

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

THE YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF CANTON, OHIO AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

December 31, 2020 and 2019

<b><u>LIABILITIES AND NET ASSETS</u></b>	<b><u>2020</u></b>	<b><u>2019</u></b>
<b>CURRENT LIABILITIES</b>		
Current portion of notes payable	\$ -	\$ 177,969
Accounts payable - trade	218,772	263,443
Accrued salaries and related payroll taxes	71,365	64,201
Accrued interest	-	2,552
Grant funds received in advance	30,046	-
Refundable deposits	7,419	7,301
Total current liabilities	<u>327,602</u>	<u>515,466</u>
<b>LONG-TERM LIABILITIES</b>		
Notes payable, net of current portion	<u>348,400</u>	-
Total long-term liabilities	<u>348,400</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>	<b>676,002</b>	<b>515,466</b>
<b>NET ASSETS</b>		
Without donor restrictions:		
Undesignated	10,127,253	10,436,005
Board-designated endowment	<u>1,544,478</u>	<u>1,474,702</u>
Total without donor restrictions	<u>11,671,731</u>	<u>11,910,707</u>
With donor restrictions	<u>1,051,600</u>	<u>1,087,570</u>
	<u>12,723,331</u>	<u>12,998,277</u>
Members' equity:		
Limited Member - Non-controlling interest	<u>866,237</u>	<u>1,084,446</u>
<b>TOTAL NET ASSETS AND MEMBERS' EQUITY</b>	<b><u>13,589,568</u></b>	<b><u>14,082,723</u></b>
 <b>TOTAL LIABILITIES AND NET ASSETS</b>	 <b><u>\$ 14,265,570</u></b>	 <b><u>\$ 14,598,189</u></b>

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

THE YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF CANTON, OHIO AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF ACTIVITIES

Years Ended December 31, 2020 and 2019

	Year Ended December 31, 2020		
	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE</b>			
Support:			
United Way of Greater Stark County	\$ 407,043	\$ -	\$ 407,043
Special fundraising events	1,833	5,000	6,833
Contributions	103,605	-	103,605
In-kind contributions	281,026	-	281,026
Federal grants	4,209,247	-	4,209,247
Foundation grants	44,891	3,255	48,146
State and local grants	350,201	-	350,201
Net assets released from restrictions	123,113	(123,113)	-
Total support	<u>5,520,959</u>	<u>(114,858)</u>	<u>5,406,101</u>
Program service fees	175,848	-	175,848
Investment return, net	324,220	12,302	336,522
Gain on funds held in trust	-	66,586	66,586
(Loss) on disposal of property and equipment	-	-	-
Rentals	460,533	-	460,533
Miscellaneous	110,753	-	110,753
Total revenue	<u>1,071,354</u>	<u>78,888</u>	<u>1,150,242</u>
<b>TOTAL SUPPORT AND REVENUE</b>	<u>6,592,313</u>	<u>(35,970)</u>	<u>6,556,343</u>
<b>EXPENSES</b>			
Program services:			
Rapid Re-Housing/Rentals	787,434	-	787,434
Children services	466,255	-	466,255
EHS program	3,545,485	-	3,545,485
New Beginnings Housing	332,449	-	332,449
Gateway Estates	244,416	-	244,416
Gateway House II	488,407	-	488,407
Shelter services	523,274	-	523,274
Total program services	<u>6,387,720</u>	<u>-</u>	<u>6,387,720</u>
Support services:			
Management and general	655,066	-	655,066
Fundraising	6,712	-	6,712
Total support services	<u>661,778</u>	<u>-</u>	<u>661,778</u>
<b>TOTAL EXPENSES</b>	<u>7,049,498</u>	<u>-</u>	<u>7,049,498</u>
<b>CHANGE IN NET ASSETS</b>	(457,185)	(35,970)	(493,155)
<b>NET ASSETS AND MEMBERS' EQUITY - BEGINNING</b>	12,995,153	1,087,570	14,082,723
<b>NET ASSETS AND MEMBERS' EQUITY - ENDING</b>	<u>\$ 12,537,968</u>	<u>\$ 1,051,600</u>	<u>\$ 13,589,568</u>

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

THE YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF CANTON, OHIO AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF ACTIVITIES

Years Ended December 31, 2020 and 2019

	Year Ended December 31, 2019		
	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE</b>			
Support:			
United Way of Greater Stark County	\$ 433,795	\$ -	\$ 433,795
Special fundraising events	34,653	-	34,653
Contributions	57,304	21,443	78,747
In-kind contributions	210,284	-	210,284
Federal grants	3,704,451	6,511	3,710,962
Foundation grants	87,374	2,448	89,822
State and local grants	228,609	-	228,609
Net assets released from restrictions	329,059	(329,059)	-
Total support	<u>5,085,529</u>	<u>(298,657)</u>	<u>4,786,872</u>
Program service fees	258,619	-	258,619
Investment return, net	625,714	24,826	650,540
Gain on funds held in trust	-	104,842	104,842
(Loss) on disposal of property and equipment	(4,722)	-	(4,722)
Rentals	449,997	-	449,997
Miscellaneous	17,681	-	17,681
Total revenue	<u>1,347,289</u>	<u>129,668</u>	<u>1,476,957</u>
<b>TOTAL SUPPORT AND REVENUE</b>	<u>6,432,818</u>	<u>(168,989)</u>	<u>6,263,829</u>
<b>EXPENSES</b>			
Program services:			
Rapid Re-Housing/Rentals	658,466	-	658,466
Children services	446,859	-	446,859
EHS program	3,061,236	-	3,061,236
New Beginnings Housing	262,448	-	262,448
Gateway Estates	258,417	-	258,417
Gateway House II	487,315	-	487,315
Shelter services	477,094	-	477,094
Total program services	<u>5,651,835</u>	<u>-</u>	<u>5,651,835</u>
Support services:			
Management and general	459,628	-	459,628
Fundraising	39,628	-	39,628
Total support services	<u>499,256</u>	<u>-</u>	<u>499,256</u>
<b>TOTAL EXPENSES</b>	<u>6,151,091</u>	<u>-</u>	<u>6,151,091</u>
<b>CHANGE IN NET ASSETS</b>	281,727	(168,989)	112,738
<b>NET ASSETS AND MEMBERS' EQUITY - BEGINNING</b>	12,713,426	1,256,559	13,969,985
<b>NET ASSETS AND MEMBERS' EQUITY - ENDING</b>	<u>\$ 12,995,153</u>	<u>\$ 1,087,570</u>	<u>\$ 14,082,723</u>

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

THE YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF CANTON, OHIO AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES

Years Ended December 31, 2020 and 2019

	Year Ended December 31, 2020										
	Program Services							Support Services			
	Rapid Re-Housing/ Rentals	Children Services	EHS Program	New Beginnings Housing	Gateway Estates	Gateway House II	Shelter Services	Total Program Services	Management and General	Fund Raising	Total
Salaries	\$ 130,063	\$ 232,573	\$ 952,401	\$ 82,375	\$ 35,279	\$ 53,778	\$ 162,602	\$ 1,649,071	\$ 309,462	\$ 5,395	\$ 1,963,928
Employee benefits	11,189	22,841	113,631	14,449	3,089	10,311	20,093	195,603	24,736	402	220,741
Payroll taxes	11,003	15,523	80,673	6,929	2,950	4,350	13,631	135,059	23,925	481	159,465
<b>TOTAL PAYROLL AND RELATED EXPENSES</b>	<b>152,255</b>	<b>270,937</b>	<b>1,146,705</b>	<b>103,753</b>	<b>41,318</b>	<b>68,439</b>	<b>196,326</b>	<b>1,979,733</b>	<b>358,123</b>	<b>6,278</b>	<b>2,344,134</b>
Bank charges and interest	-	1	2	-	-	-	89	92	2,669	25	2,786
Bad debt	-	-	-	8,534	7,544	4,117	-	20,195	-	-	20,195
Conferences and meetings	-	943	14,068	-	396	396	39	15,842	375	-	16,217
Dues and subscriptions	577	982	13,206	641	368	448	823	17,045	2,885	-	19,930
EHS childcare providers	-	-	1,651,590	-	-	-	-	1,651,590	-	-	1,651,590
Equipment maintenance and rental	100	13,668	70,704	10,488	7,002	9,550	9,969	121,481	3,504	-	124,985
In-kind expense	90,000	1,680	60,296	950	1,075	1,400	59,683	215,084	65,942	-	281,026
Local transportation and travel	923	546	12,900	-	-	-	209	14,578	116	-	14,694
Miscellaneous	35	-	123	-	250	-	-	408	102	-	510
Occupancy	11,916	27,530	72,046	127,950	96,146	114,686	76,791	527,065	14,752	-	541,817
Outside maintenance and security	4,093	7,117	14,488	30,843	2,670	17,415	104,689	181,315	4,218	-	185,533
Postage	898	76	623	105	53	96	114	1,965	1,165	219	3,349
Printing and publications	46	394	3,518	-	-	-	791	4,749	2,668	-	7,417
Professional fees/contract services	24,825	27,364	197,378	5,770	730	3,669	-	259,736	165,797	-	425,533
National YWCA dues	1,089	1,940	7,697	569	238	381	804	12,718	1,516	-	14,234
Specific assistance to individuals	470,590	-	-	-	-	-	10	470,600	-	-	470,600
Supplies	14,638	67,161	207,627	1,560	917	1,183	13,022	306,108	14,390	190	320,688
Telephone and internet	554	993	4,636	2,930	4,764	7,112	3,441	24,430	3,333	-	27,763
<b>TOTAL EXPENSES BEFORE DEPRECIATION</b>	<b>772,539</b>	<b>421,332</b>	<b>3,477,607</b>	<b>294,093</b>	<b>163,471</b>	<b>228,892</b>	<b>466,800</b>	<b>5,824,734</b>	<b>641,555</b>	<b>6,712</b>	<b>6,473,001</b>
Depreciation	14,895	44,923	67,878	38,356	80,945	259,515	56,474	562,986	13,511	-	576,497
<b>TOTAL EXPENSES</b>	<b>\$ 787,434</b>	<b>\$ 466,255</b>	<b>\$ 3,545,485</b>	<b>\$ 332,449</b>	<b>\$ 244,416</b>	<b>\$ 488,407</b>	<b>\$ 523,274</b>	<b>\$ 6,387,720</b>	<b>\$ 655,066</b>	<b>\$ 6,712</b>	<b>\$ 7,049,498</b>

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

THE YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF CANTON, OHIO AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES

Years Ended December 31, 2020 and 2019

	Year Ended December 31, 2019										
	Program Services							Support Services			
	Rapid Re-Housing/ Rentals	Children Services	EHS Program	New Beginnings Housing	Gateway Estates	Gateway House II	Shelter Services	Total Program Services	Management and General	Fund Raising	Total
Salaries	\$ 150,072	\$ 249,765	\$ 770,046	\$ 74,296	\$ 27,933	\$ 49,638	\$ 168,474	\$ 1,490,224	\$ 239,155	\$ 24,476	\$ 1,753,855
Employee benefits	7,759	25,691	76,574	9,946	4,093	7,253	16,762	148,078	24,960	1,440	174,478
Payroll taxes	12,407	18,271	65,567	6,273	2,252	4,034	14,021	122,825	19,590	2,179	144,594
<b>TOTAL PAYROLL AND RELATED BENEFITS</b>	<b>170,238</b>	<b>293,727</b>	<b>912,187</b>	<b>90,515</b>	<b>34,278</b>	<b>60,925</b>	<b>199,257</b>	<b>1,761,127</b>	<b>283,705</b>	<b>28,095</b>	<b>2,072,927</b>
Bank charges and interest	-	1	4	1	1	1	2	10	5,707	282	5,999
Bad debt	-	-	-	2,652	8,040	7,042	-	17,734	-	-	17,734
Conferences and meetings	840	921	14,757	178	230	272	1,400	18,598	1,677	60	20,335
Dues and subscriptions	22	135	3,568	319	216	219	355	4,834	2,267	-	7,101
EHS childcare providers	-	-	1,338,173	-	-	-	-	1,338,173	-	-	1,338,173
Equipment maintenance and rental	2,995	542	316	5,129	11,256	7,978	5,852	34,068	20,275	538	54,881
In-kind expense	49,944	9,347	90,905	2,864	2,499	4,992	28,380	188,931	19,458	1,895	210,284
Local transportation and travel	1,448	2,292	33,229	86	617	694	603	38,969	2,016	-	40,985
Miscellaneous	-	65	47	655	(44)	(18)	(30)	675	276	-	951
Occupancy	16,488	25,465	43,545	94,612	108,690	92,871	73,067	454,738	13,472	50	468,260
Outside maintenance and security	4,242	8,217	13,740	14,518	3,524	29,192	91,470	164,903	3,083	-	167,986
Postage	634	55	668	90	73	119	114	1,753	1,598	236	3,587
Printing and publications	252	119	11,335	79	50	5	336	12,176	1,763	1,399	15,338
Professional fees/contract services	29,364	4,618	231,051	7,736	4,527	2,451	8,361	288,108	74,663	-	362,771
National YWCA dues	1,602	1,929	10,874	1,103	350	551	1,706	18,115	1,900	-	20,015
Specific assistance to individuals	362,308	-	-	-	24	3,128	64	365,524	-	-	365,524
Supplies	11,231	57,329	297,713	618	469	1,256	5,439	374,055	10,136	7,073	391,264
Telephone and internet	500	1,357	3,842	2,937	4,491	7,022	3,156	23,305	3,207	-	26,512
<b>TOTAL EXPENSES BEFORE DEPRECIATION</b>	<b>652,108</b>	<b>406,119</b>	<b>3,005,954</b>	<b>224,092</b>	<b>179,291</b>	<b>218,700</b>	<b>419,532</b>	<b>5,105,796</b>	<b>445,203</b>	<b>39,628</b>	<b>5,590,627</b>
Depreciation	6,358	40,740	55,282	38,356	79,126	268,615	57,562	546,039	14,425	-	560,464
<b>TOTAL EXPENSES</b>	<b>\$ 658,466</b>	<b>\$ 446,859</b>	<b>\$ 3,061,236</b>	<b>\$ 262,448</b>	<b>\$ 258,417</b>	<b>\$ 487,315</b>	<b>\$ 477,094</b>	<b>\$ 5,651,835</b>	<b>\$ 459,628</b>	<b>\$ 39,628</b>	<b>\$ 6,151,091</b>

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

THE YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF CANTON, OHIO AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (493,155)	\$ 112,738
Adjustments to reconcile change in net assets to net cash (used) by operating activities:		
Depreciation	576,497	560,464
Loss on disposal of property and equipment	-	4,722
Interest and dividends reinvested, net of fees	(64,008)	(77,866)
Realized loss on investments and beneficial interest	17,518	-
Unrealized (gain) on investments and beneficial interest	(355,447)	(672,135)
Decrease (increase) in:		
Accounts receivable - trade	(904)	(4,132)
Contributions and grants receivable	126,656	(131,370)
Prepaid and other assets	2,614	5,595
Increase (decrease) in:		
Accounts payable - trade	(44,671)	111,684
Accrued salaries and related payroll taxes	7,164	22,126
Accrued interest	(2,552)	(2,503)
Grant funds received in advance	30,046	-
Refundable deposits	118	(560)
Net cash (used) by operating activities	<u>(200,124)</u>	<u>(71,237)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investments and beneficial interest	(210,152)	(210,258)
Proceeds from sale of investments and beneficial interest	86,404	319,225
Purchase of property and equipment	(143,274)	(131,391)
Net cash (used) by investing activities	<u>(267,022)</u>	<u>(22,424)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Cash received on note receivable - Investor Member	181,572	181,572
Proceeds from notes payable	348,400	-
Principal reduction of notes payable	(177,969)	(174,436)
Net cash provided by financing activities	<u>352,003</u>	<u>7,136</u>
Net (decrease) in cash, cash equivalents and restricted cash	<u>(115,143)</u>	<u>(86,525)</u>
<b>CASH, CASH EQUIVALENTS AND RESTRICTED CASH - BEGINNING</b>	<u>615,641</u>	<u>702,166</u>
<b>CASH, CASH EQUIVALENTS AND RESTRICTED CASH - ENDING</b>	<u>\$ 500,498</u>	<u>\$ 615,641</u>
Cash paid for interest	\$ 3,603	\$ 7,137

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

THE YOUNG WOMEN'S CHRISTIAN ASSOCIATION  
OF CANTON, OHIO AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**Note 1. Summary of Significant Accounting Policies**

- A. Organization – The Young Women's Christian Association of Canton, Ohio (the Association) is a charitable, nonprofit organization, which serves the greater Canton, Ohio area, and is chartered by the Young Women's Christian Association of the United States of America.

Purpose – The Young Women's Christian Association of Canton, Ohio is dedicated to eliminating racism, empowering women, and promoting peace, justice, freedom, and dignity for all.

The Association was awarded tax credits in 2008 for the construction of 40 units of low-income housing for the homeless. The project is called Gateway House II. The Association owns 79% of Gateway House II Manager, Inc. (the Managing Member) and an unrelated organization owns 21%. Gateway House II Manager, Inc. was established to be the managing member of Gateway House II, LLC. All of Gateway House II Manager, Inc.'s activity is included in these consolidated financial statements.

Gateway House II, LLC (the Subsidiary), an Ohio limited liability company, was established to be the ownership entity for the project. Gateway House II Manager, Inc. owns 0.1% of Gateway House II, LLC. Huntington ARRA Ohio Fund, LLC (the Investor Member) was admitted pursuant to the Amended and Restated Operating Agreement Declaration dated May 28, 2010. On March 29, 2013, a technical termination occurred, and the name of the Investor Member changed to Ohio ARRA Fund, LLC. The Subsidiary began leasing housing units on September 29, 2011. Lease terms are typically one year.

- B. Basis of Consolidation – The accompanying consolidated financial statements include the accounts of the Association and the Subsidiary (collectively the YWCA). All significant intercompany account balances and transactions have been eliminated in the accompanying consolidated financial statements.
- C. Basis of Presentation – Net assets and support and revenue are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Association and changes therein are classified and reported as follows:

Net assets without donor restrictions: Net assets available for use in general operations and not subject to donor-imposed stipulations.

Net assets with donor restrictions: Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Association and/or the passage of time. Also included in this category are net assets subject to donor-imposed stipulations that they be maintained permanently by the Association. Generally, the donors of these assets permit the Association to use all or part of the income earned on the related investments for general operating purposes.

THE YOUNG WOMEN'S CHRISTIAN ASSOCIATION  
OF CANTON, OHIO AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

**Note 1. Summary of Significant Accounting Policies (Continued)**

- D. Contributions – Unconditional contributions received are recorded as without donor restrictions or with donor restrictions depending on the existence or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. Donor-restricted support that was initially a conditional contribution and for which the donor-imposed conditions and restrictions are met in the same period is reported as net assets without donor restrictions. All other donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions. A portion of the Association's revenue is derived from cost-reimbursable government grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Association has incurred expenditures in compliance with specific grant provisions.
- E. Use of Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.
- F. Cash, Cash Equivalents and Restricted Cash – Cash, cash equivalents and restricted cash consists of the following as of December 31:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 198,555	\$ 333,465
Restricted cash:		
Cash flow deficit reserve	27,399	27,344
Replacement reserve	99,211	79,997
Operating reserve	<u>175,333</u>	<u>174,835</u>
Restricted cash	<u>301,943</u>	<u>282,176</u>
Cash, cash equivalents and restricted cash shown in the consolidated statements of cash flows	\$ <u>500,498</u>	\$ <u>615,641</u>

Cash and cash equivalents consist of accounts with daily liquidity such as checking, savings and money market accounts. Cash, cash equivalents and restricted cash accounts are maintained at financial institutions and may at times exceed federally-insured amounts. Cash equivalents held in the investment funds are included in investments on the consolidated statements of financial position.

Restricted cash is made up of three separate bank accounts of the Subsidiary. The first account consists of the cash flow deficit reserve. The cash flow deficit reserve is used to permit the Subsidiary to meet all reasonable operating and fixed costs related to owning and operating the Subsidiary and the project property as agreed upon in the Operating Agreement.

THE YOUNG WOMEN'S CHRISTIAN ASSOCIATION  
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

**Note 1. Summary of Significant Accounting Policies (Continued)**

F. Cash, Cash Equivalents and Restricted Cash (Continued)

The second account consists of a replacement reserve. The replacement reserve is utilized to make capital improvements to the project as agreed upon in the Operating Agreement.

The third account consists of the operating reserve. The operating reserve is used to fund operating expenses and debt service payments and is to be maintained for not less than fifteen years from the date the certificate of occupancy was issued for the project as agreed upon in the Operating Agreement.

G. Investments – As required by GAAP, investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the consolidated statements of financial position. Investment return includes interest, dividends, realized and unrealized gains and losses net of investment fees. Investment returns with donor-imposed restrictions are reported without donor restrictions if the restriction expires in the reporting period in which the investment return is recognized.

H. Accounts Receivable - Trade – Accounts receivable primarily consists of receivables from program service fees and tenant rents. Interest is not charged on accounts receivable. Credit is granted to tenants on an unsecured basis. Bad debt expense is recognized when tenant receivables are considered uncollectible. Based upon a review of outstanding balances and historical collections, management determined that no allowance for doubtful accounts was needed at December 31, 2020 and 2019.

I. Beneficial Interest – The Association carries a beneficial interest in assets held by Stark Community Foundation and a beneficial interest in funds held in trust at fair market value. Unrealized gains and losses are included in the change in net assets. The beneficial interest in funds held in trust represent the present value of the estimated income the Association will receive in the future from two perpetual trusts and one trust that is in the process of terminating. Key Bank serves as the trustee of all three trusts.

J. Property and Equipment – Property and equipment are stated at cost if purchased or fair value at the contribution date if donated. Depreciation is computed for financial statement purposes principally on the straight-line method over the estimated useful lives of the related assets. Expenditures for major renewals and betterments which extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

The YWCA reviews its investment in real estate for impairment whenever events or changes in circumstances indicate that the carrying value of such property may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the real estate to the future net undiscounted cash flow expected to be generated by the property and any estimated proceeds from the eventual disposition of the real estate. If the real estate is considered impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the real estate exceeds the fair value of such property. There were no impairment losses recognized in 2020 or 2019.

THE YOUNG WOMEN'S CHRISTIAN ASSOCIATION  
OF CANTON, OHIO AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

**Note 1. Summary of Significant Accounting Policies (Continued)**

- K. **Members' Equity** – Profit and loss of the Subsidiary is allocated between the Investor Member and the Managing Member, 99.9% and 0.1%, respectively, other than special allocations (as defined by the Operating Agreement) and certain other items that are specifically allocated to the Members in accordance with the Operating Agreement.
- L. **Federal Income Taxes** – The Association is a nonprofit organization exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, and none of its present or anticipated future activities are subject to taxation as unrelated business income; therefore, no provision for income taxes has been made in the accompanying consolidated financial statements.

No provision has been made in the financial statements for income taxes for the Subsidiary since such taxes are the responsibility of the Members.

- M. **Uncertain Tax Positions** – The preparation of financial statements in conformity with GAAP requires the YWCA to report information regarding its exposure to various tax positions taken by the YWCA. Management determines whether any tax positions meet the recognition threshold and measures the YWCA's exposure to those tax positions. Management believes that the YWCA has adequately addressed all relevant tax positions and that there are no unrecorded tax liabilities. Federal and state tax authorities generally have the right to examine and audit the previous three years of tax returns filed.
- N. **Donated Services, Materials and Facilities** – A substantial number of volunteers have donated significant amounts of their time to the Association's program services. No amounts have been recognized in the accompanying consolidated statements of activities because the criteria for recognition of such volunteer effort, as required by GAAP, has not been satisfied, but is estimated as follows:

	<u>2020</u>	<u>2019</u>
Number of volunteers	309	528
Volunteer hours	2,102	2,322
Estimated value of hours	\$ 51,805	\$ 51,995

In addition to the above, a substantial number of the donors have contributed food, clothing equipment and professional services. For the years ended December 31, 2020 and 2019, the donated food, clothing, equipment and professional services reflected in the consolidated statements of activities totaled \$281,026 and \$210,284, respectively.

- O. **Concentration of Credit Risk** – Financial instruments which potentially subject the YWCA to concentrations of credit risk consist primarily of accounts and notes receivable. Concentration of credit risk with respect to receivables is limited due to the large number of individuals, corporations and government agencies comprising the Association's receivable base. Generally, the YWCA does not require collateral or other security to support receivables.
- P. **Revenue Recognition** – Rental income is recognized primarily on a month-to-month basis over the term of the lease. Program service fees are earned for childcare and early head start services and are recognized at the point the service occurs. Amounts are billed to individuals and agencies weekly.

THE YOUNG WOMEN'S CHRISTIAN ASSOCIATION  
OF CANTON, OHIO AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

**Note 1. Summary of Significant Accounting Policies (Continued)**

- Q. Functional Expenses – The costs of program and supporting services activities have been summarized on a functional basis in the consolidated statements of activities. The consolidated statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated include maintenance, occupancy, telephone and internet, which are allocated on a square footage basis, as well as salaries, employee benefits and payroll taxes, which are allocated on the basis of estimates of time and effort.
- R. Reclassification – Certain information previously presented has been reclassified to conform to the current presentation.
- S. Subsequent Events – Subsequent events have been evaluated through March 23, 2021, which is the date the consolidated financial statements were available to be issued.

**Note 2. Contributions and Grants Receivable**

The Association has received unconditional contributions and grants on which management has determined no allowance for uncollectible promises is necessary. The amounts are as follows at December 31:

	<u>2020</u>	<u>2019</u>
Expected to be collected in:		
Less than one year	\$ 447,659	\$ 513,479
One to five years	-	64,091
	<u>447,659</u>	<u>577,570</u>
Discounting for time value (5.35%)	-	(3,255)
	<u>\$ 447,659</u>	<u>\$ 574,315</u>

As of December 31, 2020, the following government grants have not been recognized in the accompanying consolidated financial statements because the conditions on which they depend have not been met:

<u>Grant</u>	<u>Amount</u>	<u>Grant Period End</u>
ODSA - NBH	\$ 161,982	12/31/21
ODSA - Shelter	190,992	12/31/21
Stark County - HCRP II	3,740	12/31/21
HUD - NBH	30,556	10/31/21
HUD - STARR	190,232	09/30/21
HUD - STARR II	229,583	11/30/21
EHS	1,511,521	08/31/21
EHS - COVID	123,033	08/31/21
EHS - Expansion	197,490	02/28/21
EHS - Expansion COVID	59,759	02/28/21
Thrive program	51,137	12/31/21
Literacy Development	366,626	06/30/24
TANF	49,029	06/30/21
Stark Housing Network - COVID	10,000	03/31/21
City of Canton - TBRA	70,000	12/31/21
Ohio Capital Impact Corp	7,633	12/25/21
	<u>\$ 3,253,313</u>	

THE YOUNG WOMEN'S CHRISTIAN ASSOCIATION  
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

**Note 3. Beneficial Interest in Assets Held by Stark Community Foundation**

The Association transferred the Margaret Morgan Endowment Fund to Stark Community Foundation (SCF) in April 1989. The Association specified that the Foundation is to distribute the income from this fund, after payment of expenses, to the Association to fund general operations. The principal is also allowed to be invaded in accordance with the provisions of the fund agreement. SCF has limited variance power in certain circumstances as specified in the Resolution and Declaration of Trust Creating Stark Community Foundation. At December 31, 2020 and 2019, the Association recognized \$1,518,160 and \$1,450,421, respectively, as a beneficial interest in assets held by Stark Community Foundation in the accompanying consolidated statements of financial position.

**Note 4. Note Payable**

The Subsidiary has a note payable to Ohio Housing Finance Agency (OHFA), bearing interest at 2% per annum, payable in annual installments of \$181,572 beginning on April 15, 2012. The note payable was paid in full during 2020.

Interest expense for the years ended December 31, 2020 and 2019 was \$1,051 and \$4,634, respectively.

**Note 5. Net Assets with Donor Restrictions**

Net assets with donor restrictions are available for the following purposes for the years ended December 31:

	<u>2020</u>	<u>2019</u>
Subject to expenditure for specified purpose:		
Childcare activities	\$ 2,337	\$ 2,337
Dollars and sense program	7,699	7,699
Project homeless connect	2,173	2,173
Rapid re-housing	1,246	1,977
Shelter - breakfast with Santa	1,255	1,255
Shelter program	3,695	10,443
Women's Hall of Fame	5,000	-
Sisters of Charity Foundation - stabilization	46,502	35,063
Thrive Program - Canton City Health Dept.	29,864	44,626
Therapeutic classroom	11,000	11,000
EHS flooring	-	6,511
Volunteer assistance funds	<u>2,448</u>	<u>2,448</u>
	113,219	125,532
Subject to passage of time:		
Contributions receivable	64,091	144,928
Not subject to appropriation:		
Perpetual trusts held by others	715,299	670,421
Subject to appropriation:		
Accumulated earnings	133,991	121,689
Endowment funds restricted in perpetuity	<u>25,000</u>	<u>25,000</u>
	<u>158,991</u>	<u>146,689</u>
Total net assets with donor restrictions	\$ <u>1,051,600</u>	\$ <u>1,087,570</u>

THE YOUNG WOMEN'S CHRISTIAN ASSOCIATION  
OF CANTON, OHIO AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

**Note 6. Endowment Composition**

The Association's endowment consists of both donor-restricted endowment funds and funds designated by the Board of Directors to function as an operating endowment. Net assets associated with the endowment fund are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law – The State of Ohio has passed a version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA). The Board of Directors of the Association has interpreted UPMIFA 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, the Association classifies as net assets with perpetual 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 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 is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Association in a manner consistent with the standard of prudence prescribed by UPMIFA.

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

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

Endowment net asset composition by type of fund as of December 31:

	2020			
	Without Donor Restrictions	With Donor Restrictions		Total
		Original Gift	Accumulated Gains	
Donor-restricted funds	\$ -	\$ 25,000	\$ 133,991	\$ 158,991
Board-designated funds	<u>1,544,478</u>	<u>-</u>	<u>-</u>	<u>1,544,478</u>
	<u>\$ 1,544,478</u>	<u>\$ 25,000</u>	<u>\$ 133,991</u>	<u>\$ 1,703,469</u>
	2019			
	Without Donor Restrictions	With Donor Restrictions		Total
		Original Gift	Accumulated Gains	
Donor-restricted funds	\$ -	\$ 25,000	\$ 121,689	\$ 146,689
Board-designated funds	<u>1,474,702</u>	<u>-</u>	<u>-</u>	<u>1,474,702</u>
	<u>\$ 1,474,702</u>	<u>\$ 25,000</u>	<u>\$ 121,689</u>	<u>\$ 1,621,391</u>

THE YOUNG WOMEN'S CHRISTIAN ASSOCIATION  
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

**Note 6. Endowment Composition (Continued)**

Changes in endowment net assets are as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>		
		<u>Original Gift</u>	<u>Accumulated Gains</u>	<u>Total</u>
Endowment assets as of January 1, 2019	\$ 1,282,325	\$ 25,000	\$ 96,863	\$ 1,404,188
Investment return, net	257,180	-	24,826	282,006
Appropriations	<u>(64,803)</u>	<u>-</u>	<u>-</u>	<u>(64,803)</u>
Endowment assets as of December 31, 2019	1,474,702	25,000	121,689	1,621,391
Investment return, net	134,472	-	12,302	146,774
Appropriations	<u>(64,696)</u>	<u>-</u>	<u>-</u>	<u>(64,696)</u>
Endowment assets as of December 31, 2020	\$ <u>1,544,478</u>	\$ <u>25,000</u>	\$ <u>133,991</u>	\$ <u>1,703,469</u>

Return Objectives and Risk Parameters – The Association has adopted investment and spending policies for endowment assets that attempt to provide a relatively predictable, stable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include board-designated funds. As authorized by board-approved policies, these assets are invested to maximize long-term returns, while simultaneously mitigating risk through maintaining a diversified portfolio. The assets are invested in a manner that is intended to produce results that meet or exceed the composite return and are within the risk parameters of an appropriate benchmark. The long-term objective is to attain, within acceptable risk parameters, an average annual total return that exceeds the sum of the Association's approved payout rate plus inflation, plus investment management and related fees plus the endowment growth rate. The objective is expected to be obtained over time but not in every reporting period.

From time to time, the fair value of assets associated with donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Association to retain as a fund of perpetual duration. The Association has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. As of December 31, 2020 and 2019, the Association had no underwater endowments.

**Note 7. Fair Value Measurement**

The Association uses various inputs in determining the fair value of its investments and measures these assets on a recurring basis. Financial assets recorded at fair value in the consolidated statements of financial position are categorized by the level of objectivity associated with the inputs used to measure their fair value. The inputs used to measure fair value are classified into three levels:

THE YOUNG WOMEN'S CHRISTIAN ASSOCIATION  
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

**Note 7. Fair Value Measurement (Continued)**

- Level 1 - quoted prices in active markets for identical investments
- Level 2 - other significant observable inputs (including quoted prices for similar investments, market corroborated inputs, etc.)
- Level 3 - significant unobservable inputs (including the Association's own assumptions in determining the fair value of investments)

The asset's fair value measurement level is based on the lowest level of any input that is significant to the fair value measurement.

The valuation methods used for financial instruments may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. There have been no changes in the methodologies used from 2019 to 2020. Furthermore, while the Association believes the valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The Association invests in cash equivalents, mutual funds, ETFs and equities with quoted prices in active markets that are considered to be Level 1 assets. The Association invests in a beneficial interest in assets held by SCF which is valued by SCF based on the underlying publicly-traded assets. The beneficial interest in assets held by SCF is considered to be a Level 2 asset. The fair value of the beneficial interest in funds held in trust is based on quoted prices of the underlying assets that are held by the trustee. Due to restrictions on these assets that do not allow the Association redemption rights, fair value is deemed based on Level 3 inputs.

The inputs of methodology used for valuing securities are not necessarily an indication of the credit risk associated with investing in those securities. The following table provides the fair value measurements of applicable Association financial assets that are measured at fair value on a recurring basis as of December 31:

	2020			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments:				
Cash equivalents	\$ 288,833	\$ -	\$ -	\$ 288,833
Mutual funds - equity	753,338	-	-	753,338
Equities	523,741	-	-	523,741
ETFs	470,729	-	-	470,729
Mutual funds - fixed income	790,366	-	-	790,366
Beneficial interest in assets held by Stark Community Foundation	-	1,518,160	-	1,518,160
Beneficial interest in funds held in trust	-	-	715,299	715,299
	<u>\$ 2,827,007</u>	<u>\$ 1,518,160</u>	<u>\$ 715,299</u>	<u>\$ 5,060,466</u>

THE YOUNG WOMEN'S CHRISTIAN ASSOCIATION  
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

**Note 7. Fair Value Measurement (Continued)**

	2019			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments:				
Cash equivalents	\$ 149,960	\$ -	\$ -	\$ 149,960
Mutual funds - equity	850,256	-	-	850,256
Equities	454,405	-	-	454,405
EFTs	254,693	-	-	254,693
Mutual funds - fixed income	704,625	-	-	704,625
Beneficial interest in assets held by Stark Community Foundation	-	1,450,421	-	1,450,421
Beneficial interest in funds held in trust	-	-	<u>670,421</u>	<u>670,421</u>
	<u>\$ 2,413,939</u>	<u>\$ 1,450,421</u>	<u>\$ 670,421</u>	<u>\$ 4,534,781</u>

Assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3 inputs) are as follows:

	<u>Funds held in trust</u>
Balance at December 31, 2018	\$ 805,517
Investment return	104,842
Distributions	<u>(239,938)</u>
Balance at December 31, 2019	670,421
Investment return	66,586
Distributions	<u>(21,708)</u>
Balance at December 31, 2020	<u>\$ 715,299</u>

**Note 8. Related Party Transactions**

The note receivable from the Investor Member in the amount of \$181,572 at December 31, 2019 was for its subscribed capital contribution. The note was secured solely by the Investor Member's interest in the Subsidiary. The note was paid off during April 2020.

The Operating Agreement provides that an annual asset management fee be paid to Ohio Capital Corporation for Housing (OCCH), an affiliate of the Investor Member. Asset management fees of \$5,333 were incurred for each of the years ended December 31, 2020 and 2019 and are included in professional fees/contract services in the accompanying consolidated statements of functional expenses.

The Operating Agreement provides that a disposition fee of 3% of any amounts payable to the Subsidiary upon the sale of rental property or any portion thereof shall be paid to OCCH.

THE YOUNG WOMEN'S CHRISTIAN ASSOCIATION  
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

**Note 9. Commitments and Contingent Liabilities**

The Association receives a substantial amount of its support from the United Way and federal, state and local governments. A significant reduction in the level of support, if this were to occur, could have a dramatic effect on the Association's programs and activities.

Grant Matching Program – The Association receives federal grant funds for an Early Head Start program. For the grant period beginning in September 2021 and ending in August 2022, the Association is required to provide an 10.31% non-federal share for the Early Head Start program. If the Association does not meet the non-federal share requirement by the end of the grant period, the Association must either return a portion of the grant funds or obtain a waiver.

Claims and Lawsuits – The YWCA is periodically subject to claims and lawsuits that arise in the ordinary day-to-day operations of the YWCA. It is the opinion of management that the disposition or ultimate resolution of such claims and lawsuits will not have a material adverse effect on the financial position of the YWCA.

Credit Reduction Payment – Gateway House II, LLC – The Subsidiary is allocated federal low-income housing tax credits under the program described by Internal Revenue Code Section 42. These tax credits are not reflected in the accompanying financial statements of the Subsidiary. However, the Operating Agreement provides for a credit reduction payment. In the event that the total amount of tax credits obtained is less than the total amount projected, the Investor Member shall reduce its required capital contribution by the amount of the shortfall (as defined in the Operating Agreement). Further, if the full amount of the annual tax credits is not obtained, the Managing Member is obligated to pay the Investor Member the amount of the shortfall (as defined in the Operating Agreement). No credit reduction payments were made during 2020 and 2019. The Association does not receive a fee under this provision.

Commitments – Gateway House II, LLC – Because the project qualifies for low-income housing tax credits, as permitted by the Internal Revenue Code, the project must have a minimum of 40% of its units occupied by low-income households with income under 60% of the area median income. The project must continue to maintain this low-income status for a period of thirty years, commencing on December 31, 2011. The project has entered into a restrictive covenant with the Ohio Housing Finance Agency that requires that they maintain this low-income status for a period of thirty years.

Contingent Liability – During 2009, OHFA loaned the Subsidiary \$1,548,386 in the form of a non-interest bearing, deferred payment loan which is to be forgiven over a 15-year period ending in September 2026 if the Subsidiary complies with the Low-Income Housing Tax Credit Program. The loan is guaranteed by the Association.

**Note 10. Operating Leases**

The Association is leasing equipment under non-cancelable operating leases expiring at various dates through February 2026. There are various options to renew the leases for additional years at predetermined rates. Rental expense related to these leases was \$6,222 and \$6,250 for the years ended December 31, 2020 and 2019, respectively.

THE YOUNG WOMEN'S CHRISTIAN ASSOCIATION  
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

**Note 10. Operating Leases (Continued)**

The following is a schedule of future minimum rental payments required under the above operating leases as of December 31:

2021	\$ 5,916
2022	5,916
2023	5,740
2024	5,388
2025	5,388
2026	898

**Note 11. Retirement Plan**

The Association provides retirement benefits for eligible employees as a participating employer-sponsor of the YWCA Retirement Fund, Inc., a multiple employer cash balance defined benefit plan. Contributions to the Fund amounted to \$61,470 and \$59,850 for the years ended December 31, 2020 and 2019, respectively.

The actuarial present value of the benefit obligation and fair value of plan assets are not available separately for each employer that participates in the Plan.

**Note 12. Designated Fund**

The Association is an income beneficiary of a designated fund, held by Stark Community Foundation, known as The Joshua Thomas White Memorial Fund. The fund is held in a component fund managed by SCF and is not included in the consolidated statements of financial position. The Association may request a principal withdrawal to satisfy an extraordinary need. Principal withdrawals require approval of a three-fourths majority of the Association's directors and a two-thirds majority of SCF's directors. Distributions of income relating to the assets in the fund are made at the discretion of the Distribution Committee of SCF and are to be used primarily for capital needs and program costs. Amounts distributed to the Association are recorded as foundation grants in the consolidated statements of activities. At December 31, 2020 and 2019, the market value of the assets in this fund totaled \$1,150,803 and \$1,115,919, respectively.

**Note 13. Schedule of State Grants**

The following state grants were expended in the years ended December 31:

State of Ohio:

Ohio Department of Development Emergency Shelter Grant/SHH Program:

	<u>2020</u>	<u>2019</u>
S-Y-19-7FQ-1	\$ 144,018	\$ 153,000
Stark County through ODSA	<u>205,138</u>	<u>57,322</u>
	<u>\$ 349,156</u>	<u>\$ 210,322</u>

THE YOUNG WOMEN'S CHRISTIAN ASSOCIATION  
OF CANTON, OHIO AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

**Note 13. Schedule of State Grants (Continued)**

The Association also received federal and state funds through the Stark County Department of Human Services for the subsidized child care program. Amounts received for the years ended December 31, 2020 and 2019 were \$137,929 and \$195,555, respectively.

**Note 14. Noncontrolling Interest**

The following is a reconciliation of members' equity of the Subsidiary:

	Gateway House II <u>Manager, Inc.</u>	Noncontrolling Interest	<u>Total</u>
Members' equity at December 31, 2018	\$ 2,001,293	\$ 1,308,296	\$ 3,309,589
Net (loss)	<u>(223)</u>	<u>(223,850)</u>	<u>(224,073)</u>
Members' equity at December 31, 2019	2,001,070	1,084,446	3,085,516
Net (loss)	<u>(218)</u>	<u>(218,209)</u>	<u>(218,427)</u>
Members' equity at December 31, 2020	\$ <u>2,000,852</u>	\$ <u>866,237</u>	\$ <u>2,867,089</u>

**Note 15. Financial Assets and Liquidity**

The YWCA strives to maintain liquid financial assets to cover 90 days of general expenditures, which are on average approximately \$1,540,000. Financial assets in excess of daily cash requirements are invested in short-term investments.

The YWCA's financial assets due within one year of the consolidated statement of financial position date available for general expenditures are as follows at December 31:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 198,555	\$ 333,465
Investments	2,641,698	2,242,969
Accounts receivable - trade	27,976	27,072
Contributions and grants receivable	<u>447,659</u>	<u>513,479</u>
	\$ <u>3,315,888</u>	\$ <u>3,116,985</u>

The Association has a beneficial interest in assets held by Stark Community Foundation, valued at \$1,518,160 and \$1,450,421 as of December 31, 2020 and 2019, respectively. Although withdrawals are not anticipated at this time, these funds would be available if needed. In addition, accumulated earnings on endowment fund investments valued at \$160,309 and \$145,970 as of December 31, 2020 and 2019, respectively, could also be used with Board approval. The Subsidiary has restricted cash totaling \$301,943 and \$282,176 as of December 31, 2020 and 2019, respectively, that would be available as specified in the Operating Agreement.

THE YOUNG WOMEN'S CHRISTIAN ASSOCIATION  
OF CANTON, OHIO AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

**Note 16. COVID-19 Pandemic**

Physical and economic conditions worldwide have been impacted by the ongoing COVID-19 pandemic. There are uncertainties surrounding COVID-19's impact on the economy as a whole and on organizations. There is also uncertainty regarding the positive impact of any federal government relief. Accordingly, the impact of the global pandemic on the operations and financial plans or future results of the YWCA is unknown.

During March 2020, the Coronavirus Aid, Relief and Economic Security (CARES) Act created the Paycheck Protection Program (PPP). In April 2020, the Association received an unsecured loan of \$348,400 under the PPP. Provisions of the PPP allow for partial or full forgiveness of the loan provided the proceeds are used for covered expenditures and certain other requirements are satisfied. The unforgiven portion of the loan, if any, is payable in eighteen monthly installments (plus interest at a rate of 1% per annum). Management anticipates that the PPP loan will be forgiven in full; therefore, the balance is included in long-term liabilities in the accompanying consolidated statement of financial position.

THE YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF CANTON, OHIO AND SUBSIDIARY

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

December 31, 2020

<u>ASSETS</u>	YWCA of Canton	Gateway House II, LLC	Eliminations	Total
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	\$ 184,405	\$ 14,150	\$ -	\$ 198,555
Investments	2,641,698	-	-	2,641,698
Accounts receivable - trade	21,586	6,390	-	27,976
Contributions and grants receivable	447,659	-	-	447,659
Prepaid and other assets	12,788	32,401	-	45,189
Total current assets	<u>3,308,136</u>	<u>52,941</u>	<u>-</u>	<u>3,361,077</u>
<b>BENEFICIAL INTEREST IN ASSETS HELD BY STARK COMMUNITY FOUNDATION</b>	1,518,160	-	-	1,518,160
<b>BENEFICIAL INTEREST IN FUNDS HELD IN TRUST</b>	715,299	-	-	715,299
<b>INVESTMENTS - ENDOWMENT</b>	185,309	-	-	185,309
<b>PROPERTY AND EQUIPMENT</b>				
Land and land improvements	606,834	276,953	-	883,787
Building	5,754,690	-	-	5,754,690
Building - Gateway	2,712,630	-	-	2,712,630
Building - Gateway II	-	5,233,090	-	5,233,090
Building - family shelter	1,396,806	-	-	1,396,806
Building - New Beginnings Housing	681,083	-	-	681,083
Furniture and equipment	983,829	56,841	-	1,040,670
	<u>12,135,872</u>	<u>5,566,884</u>	<u>-</u>	<u>17,702,756</u>
Less accumulated depreciation	7,618,041	1,900,933	-	9,518,974
	<u>4,517,831</u>	<u>3,665,951</u>	<u>-</u>	<u>8,183,782</u>
<b>OTHER ASSETS</b>				
Restricted cash	-	301,943	-	301,943
Accounts receivable - Gateway House II, LLC	280,910	-	(280,910)	-
Note receivable - Gateway House II, LLC	625,000	-	(625,000)	-
Investment - Gateway House II Manager, Inc.	2,000,852	-	(2,000,852)	-
Interest receivable - Gateway House II, LLC	228,691	-	(228,691)	-
	<u>3,135,453</u>	<u>301,943</u>	<u>(3,135,453)</u>	<u>301,943</u>
<b>TOTAL ASSETS</b>	<u>\$ 13,380,188</u>	<u>\$ 4,020,835</u>	<u>\$ (3,135,453)</u>	<u>\$ 14,265,570</u>

THE YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF CANTON, OHIO AND SUBSIDIARY

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

December 31, 2020

<u>LIABILITIES AND NET ASSETS</u>	YWCA of Canton	Gateway House II, LLC	Eliminations	Total
<b>CURRENT LIABILITIES</b>				
Current portion of notes payable	\$ -	\$ -	\$ -	\$ -
Accounts payable - trade	202,041	16,731	-	218,772
Accounts payable - intercompany	-	280,910	(280,910)	-
Accrued salaries and related payroll taxes	71,365	-	-	71,365
Grant funds received in advance	30,046	-	-	30,046
Refundable deposits	5,005	2,414	-	7,419
Total current liabilities	<u>308,457</u>	<u>300,055</u>	<u>(280,910)</u>	<u>327,602</u>
<b>LONG-TERM LIABILITIES</b>				
Accrued interest	-	228,691	(228,691)	-
Notes payable, net of current portion	348,400	625,000	(625,000)	348,400
Total long-term liabilities	<u>348,400</u>	<u>853,691</u>	<u>(853,691)</u>	<u>348,400</u>
<b>TOTAL LIABILITIES</b>	656,857	1,153,746	(1,134,601)	676,002
<b>NET ASSETS</b>				
Without donor restrictions	11,671,731	-	-	11,671,731
With donor restrictions	1,051,600	-	-	1,051,600
	<u>12,723,331</u>	<u>-</u>	<u>-</u>	<u>12,723,331</u>
Members' equity:				
General Member - Controlling interest	-	2,000,852	(2,000,852)	-
Limited Member - Non-controlling interest	-	866,237	-	866,237
Total members' equity	<u>-</u>	<u>2,867,089</u>	<u>(2,000,852)</u>	<u>866,237</u>
<b>TOTAL NET ASSETS AND MEMBERS' EQUITY</b>	<u>12,723,331</u>	<u>2,867,089</u>	<u>(2,000,852)</u>	<u>13,589,568</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 13,380,188</u>	<u>\$ 4,020,835</u>	<u>\$ (3,135,453)</u>	<u>\$ 14,265,570</u>

THE YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF CANTON, OHIO AND SUBSIDIARY

CONSOLIDATING STATEMENT OF ACTIVITIES

Year Ended December 31, 2020

SUPPORT AND REVENUE	Without Donor Restrictions				With Donor Restrictions	Total
	YWCA of Canton	Gateway House II	Eliminations	Total		
Support:						
United Way of Greater Stark County \$	407,043	\$ -	\$ -	\$ 407,043	\$ -	\$ 407,043
Special fundraising events	1,833	-	-	1,833	5,000	6,833
Contributions	103,605	-	-	103,605	-	103,605
In-kind contributions	281,026	-	-	281,026	-	281,026
Federal grants	4,209,247	-	-	4,209,247	-	4,209,247
Foundation grants	44,891	-	-	44,891	3,255	48,146
State and local grants	350,201	-	-	350,201	-	350,201
Net assets released from restrictions	123,113	-	-	123,113	(123,113)	-
Total support	5,520,959	-	-	5,520,959	(114,858)	5,406,101
Program service fees	175,848	-	-	175,848	-	175,848
Investment return, net	347,131	612	(23,523)	324,220	12,302	336,522
Gain on funds held in trust	-	-	-	-	66,586	66,586
Rentals	212,843	247,690	-	460,533	-	460,533
Miscellaneous	175,191	251	(64,689)	110,753	-	110,753
Total revenue	911,013	248,553	(88,212)	1,071,354	78,888	1,150,242
<b>TOTAL SUPPORT AND REVENUE</b>	6,431,972	248,553	(88,212)	6,592,313	(35,970)	6,556,343
<b>EXPENSES</b>						
Program services:						
Rapid Re-Housing/Rentals	787,434	-	-	787,434	-	787,434
Children services	466,255	-	-	466,255	-	466,255
EHS program	3,545,485	-	-	3,545,485	-	3,545,485
New Beginnings Housing	332,449	-	-	332,449	-	332,449
Gateway Estates	244,416	-	-	244,416	-	244,416
Gateway House II	126,751	411,773	(50,117)	488,407	-	488,407
Shelter services	523,274	-	-	523,274	-	523,274
Total program services	6,026,064	411,773	(50,117)	6,387,720	-	6,387,720
Support services:						
Management and general	638,172	55,207	(38,313)	655,066	-	655,066
Fundraising	6,712	-	-	6,712	-	6,712
Total support services	644,884	55,207	(38,313)	661,778	-	661,778
<b>TOTAL EXPENSES</b>	6,670,948	466,980	(88,430)	7,049,498	-	7,049,498
<b>CHANGE IN NET ASSETS</b>	(238,976)	(218,427)	218	(457,185)	(35,970)	(493,155)
<b>NET ASSETS AND MEMBERS' EQUITY - BEGINNING</b>	11,910,707	3,085,516	(2,001,070)	12,995,153	1,087,570	14,082,723
<b>NET ASSETS AND MEMBERS' EQUITY - ENDING</b>	<u>\$ 11,671,731</u>	<u>\$ 2,867,089</u>	<u>\$ (2,000,852)</u>	<u>\$ 12,537,968</u>	<u>\$ 1,051,600</u>	<u>\$ 13,589,568</u>

THE YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF CANTON, OHIO AND SUBSIDIARY

CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2020

	YWCA of Canton								Gateway House II, LLC						
	Program Services				Support Services				Management and General	Fund Raising	Total YWCA of Canton	Program Services	Management and General	Eliminations	Total
	Rapid Re-Housing/Rentals	Children Services	EHS Program	New Beginnings Housing	Gateway Estates	Gateway House II	Shelter Services	Total Program Services							
Salaries	\$ 130,063	\$ 232,573	\$ 952,401	\$ 82,375	\$ 35,279	\$ 53,778	\$ 162,602	\$ 1,649,071	309,462	\$ 5,395	\$ 1,963,928	\$ -	\$ -	\$ -	\$ 1,963,928
Employee benefits	11,189	22,841	113,631	14,449	3,089	10,311	20,093	195,603	24,736	402	220,741	-	-	-	220,741
Payroll taxes	11,003	15,523	80,673	6,929	2,950	4,350	13,631	135,059	23,925	481	159,465	-	-	-	159,465
<b>TOTAL PAYROLL AND RELATED EXPENSES</b>	<b>152,255</b>	<b>270,937</b>	<b>1,146,705</b>	<b>103,753</b>	<b>41,318</b>	<b>68,439</b>	<b>196,326</b>	<b>1,979,733</b>	<b>358,123</b>	<b>6,278</b>	<b>2,344,134</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,344,134</b>
Bank charges and interest	-	1	2	-	-	-	89	92	618	25	735	-	25,574	(23,523)	2,786
Bad debt	-	-	-	8,534	7,544	-	-	16,078	-	-	16,078	4,117	-	-	20,195
Conferences and meetings	-	943	14,068	-	396	234	39	15,680	375	-	16,055	162	-	-	16,217
Contract salaries	-	-	-	-	-	-	-	-	-	-	-	50,117	-	(50,117)	-
Dues and subscriptions	577	982	13,206	641	368	-	823	16,597	2,885	-	19,482	448	-	-	19,930
EHS childcare providers	-	-	1,651,590	-	-	-	-	1,651,590	-	-	1,651,590	-	-	-	1,651,590
Equipment maintenance and rental	100	13,668	70,704	10,488	7,002	1,100	9,969	113,031	3,504	-	116,535	8,450	-	-	124,985
In-kind expense	90,000	1,680	60,296	950	1,075	1,400	59,683	215,084	65,942	-	281,026	-	-	-	281,026
Local transportation and travel	923	546	12,900	-	-	-	209	14,578	116	-	14,694	-	-	-	14,694
Miscellaneous	35	-	123	-	250	-	-	408	102	-	510	-	-	-	510
Occupancy	11,916	27,530	72,046	127,950	96,146	6	76,791	412,385	14,752	-	427,137	114,680	-	-	541,817
Outside maintenance and security	4,093	7,117	14,488	30,843	2,670	-	104,689	163,900	4,218	-	168,118	17,415	-	-	185,533
Postage	898	76	623	105	53	96	114	1,965	1,165	219	3,349	-	-	-	3,349
Printing and publications	46	394	3,518	-	-	-	791	4,749	2,668	-	7,417	-	-	-	7,417
Professional fees/contract services	24,825	27,364	197,378	5,770	730	-	-	256,067	150,954	-	407,021	3,669	29,633	(14,790)	425,533
National YWCA dues	1,089	1,940	7,697	569	238	381	804	12,718	1,516	-	14,234	-	-	-	14,234
Specific assistance to individuals	470,590	-	-	-	-	-	10	470,600	-	-	470,600	-	-	-	470,600
Supplies	14,638	67,161	207,627	1,560	917	11	13,022	304,936	14,390	190	319,516	1,172	-	-	320,688
Telephone and internet	554	993	4,636	2,930	4,764	-	3,441	17,318	3,333	-	20,651	7,112	-	-	27,763
<b>TOTAL EXPENSES BEFORE DEPRECIATION</b>	<b>772,539</b>	<b>421,332</b>	<b>3,477,607</b>	<b>294,093</b>	<b>163,471</b>	<b>71,667</b>	<b>466,800</b>	<b>5,667,509</b>	<b>624,661</b>	<b>6,712</b>	<b>6,298,882</b>	<b>207,342</b>	<b>55,207</b>	<b>(88,430)</b>	<b>6,473,001</b>
Depreciation	14,895	44,923	67,878	38,356	80,945	55,084	56,474	358,555	13,511	-	372,066	204,431	-	-	576,497
<b>TOTAL EXPENSES</b>	<b>\$ 787,434</b>	<b>\$ 466,255</b>	<b>\$ 3,545,485</b>	<b>\$ 332,449</b>	<b>\$ 244,416</b>	<b>\$ 126,751</b>	<b>\$ 523,274</b>	<b>\$ 6,026,064</b>	<b>638,172</b>	<b>\$ 6,712</b>	<b>\$ 6,670,948</b>	<b>\$ 411,773</b>	<b>\$ 55,207</b>	<b>\$ (88,430)</b>	<b>\$ 7,049,498</b>

THE YOUNG WOMEN'S CHRISTIAN ASSOCIATION  
OF CANTON, OHIO AND SUBSIDIARY  
UNIFORM GUIDANCE AUDIT REQUIREMENTS

THE YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF CANTON, OHIO AND SUBSIDIARY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended December 31, 2020

Federal Grantor/ Pass-Through Grantor/ Program Title	Pass-through Entity Number	CFDA#	Federal Expenditures
<u>Head Start Cluster</u>			
Department of Health and Human Services			
Early Head Start		93.600	\$ 2,066,048
Early Head Start expansion		93.600	1,347,065
Total Head Start Cluster			<u>3,413,113</u>
<u>477 Cluster</u>			
Department of Health and Human Services			
Passed through OCCRRA			
Child Care and Development Block Grant	CARES	93.575	13,242
Passed through Ohio Department of Education			
Child Care and Development Block Grant	Literacy	93.575	27,124
Passed through Ohio Council YWCA			
Temporary Assistance for Needy Families	N/A	93.558	78,667
Total 477 Cluster			<u>119,033</u>
Department of Housing and Urban Development			
Continuum of Care Program			
Continuum of Care Program - Starr II		14.267	225,646
Continuum of Care Program - STARR		14.267	207,493
Continuum of Care Program - NBH		14.267	37,052
Total Continuum of Care Program			<u>470,191</u>
Passed through Ohio Development Services Agency			
Emergency Solutions Grant Program	N-L-19-7FQ-1	14.231	161,608
Total Emergency Solutions Grant Program			<u>161,608</u>
Total Department of Housing and Urban Development			<u>631,799</u>
U.S. Department of Agriculture			
Passed through Ohio Department of Education			
Child and Adult Care Food Program	N/A	10.558	45,302
Total U.S. Department of Agriculture			<u>45,302</u>
Total Expenditures of Federal Awards			<u>\$ 4,209,247</u>

The accompanying notes to the schedule of expenditures of federal awards are an integral part of this schedule.

THE YOUNG WOMEN'S CHRISTIAN ASSOCIATION  
OF CANTON, OHIO AND SUBSIDIARY

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED DECEMBER 31, 2020

**Note 1. Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the Schedule) includes federal grant activity of The Young Women's Christian Association of Canton, Ohio and Subsidiary under programs of the federal government for the year ended December 31, 2020. The information in this Schedule is presented in accordance with the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Association, it is not intended to and does not present the financial position, changes in net assets or cash flows of the YWCA.

**Note 2. Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principals contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited in reimbursement.

**Note 3. Indirect Cost Centers**

The Young Women's Christian Association of Canton, Ohio and Subsidiary has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

**Note 4. Property and Equipment**

The Schedule includes expenditures for property and equipment which have been capitalized in the consolidated statement of financial position as of December 31, 2020.

Purchase of property and equipment	\$ 97,752
Expenses included in statement of activities	<u>4,111,495</u>
Total federal expenditures during 2020	\$ <u>4,209,247</u>

Independent Auditors' Report on Internal Control Over Financial Reporting  
and on Compliance and Other Matters Based on an Audit of Financial  
Statements Performed in Accordance With *Government Auditing Standards*

To the Board of Directors  
The Young Women's Christian Association of Canton, Ohio and Subsidiary  
Canton, Ohio

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of The Young Women's Christian Association of Canton, Ohio and Subsidiary (a nonprofit organization and an Ohio limited liability company), which comprise the consolidated statement of financial position as of December 31, 2020, and the related consolidated statements of activities, 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 March 23, 2021.

**Internal Control Over Financial Reporting**

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

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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 may exist that have not been identified.

Independent Auditors' Report on Internal Control Over Financial Reporting  
and on Compliance and Other Matters Based on an Audit of Financial  
Statements Performed in Accordance With *Government Auditing Standards* (Continued)

**Compliance and Other Matters**

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

**Purpose of this Report**

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

*Meloney + Novotny LLC*

Canton, Ohio  
March 23, 2021



Independent Auditors' Report on Compliance  
for the Major Program and on Internal Control Over  
Compliance Required by the Uniform Guidance

To the Board of Directors  
The Young Women's Christian Association of Canton, Ohio and Subsidiary  
Canton, Ohio

**Report on Compliance for the Major Federal Program**

We have audited The Young Women's Christian Association of Canton, Ohio and Subsidiary's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on The Young Women's Christian Association of Canton, Ohio and Subsidiary's major federal program for the year ended December 31, 2020. The Young Women's Christian Association of Canton, Ohio and Subsidiary's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal program.

**Auditors' Responsibility**

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

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of The Young Women's Christian Association of Canton, Ohio and Subsidiary's compliance.

Independent Auditors' Report on Compliance  
for the Major Program and on Internal Control Over  
Compliance Required by the Uniform Guidance (Continued)

**Opinion on the Major Federal Program**

In our opinion, The Young Women's Christian Association of Canton, Ohio and Subsidiary complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on their major federal program for the year ended December 31, 2020.

**Report on Internal Control over Compliance**

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

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

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

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

*Meloney + Novotny LLC*

Canton, Ohio  
March 23, 2021

THE YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF CANTON, OHIO AND SUBSIDIARY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended December 31, 2020

**Section I - Summary of Auditors' Results**

**Financial Statements**

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?            Yes       X       No

Significant deficiency(ies) identified?            Yes       X       None reported

Noncompliance material to financial statements noted?            Yes       X       No

**Federal Awards**

Internal control over major federal program(s):

Material weakness(es) identified?            Yes       X       No

Significant deficiency(ies) identified?            Yes       X       None reported

Type of auditors' report issued on compliance for major federal program(s): Unmodified

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

Identification of major federal program(s):

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
93.600	Early Head Start Grant

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

Auditee qualified as low-risk auditee?       X       Yes            No

THE YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF CANTON, OHIO AND SUBSIDIARY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended December 31, 2020

**Section II - Financial Statement Findings**

No matters were reported.

**Section III - Federal Award Findings and Questioned Costs**

No matters were reported.