

**Young Women's Christian Association of Hamilton, Ohio, Inc.
and Subsidiaries**

**Consolidated Financial Statements
June 30, 2024
Together with Independent Auditor's Reports**

**Young Women’s Christian Association of Hamilton, Ohio, Inc.
and Subsidiaries**

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Independent Auditor's Report

To the Board of Directors of
Young Women's Christian Association of Hamilton, Ohio, Inc.
Hamilton, Ohio

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Young Women's Christian Association of Hamilton, Ohio, Inc. (a nonprofit organization) and Subsidiaries, which comprise the consolidated statement of financial position as of June 30, 2024, 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.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Young Women's Christian Association of Hamilton, Ohio, Inc. and Subsidiaries as of June 30, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Young Women's Christian Association of Hamilton, Ohio, Inc. and Subsidiaries to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 the 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 of Young Women's Christian Association of Hamilton, Ohio, Inc. 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.

Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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



**STEPHENSON
& WARNER, INC.**

**CERTIFIED
PUBLIC
ACCOUNTANTS**

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 Young Women's Christian Association of Hamilton, Ohio, Inc. 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 Young Women's Christian Association of Hamilton, Ohio, Inc. 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 Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2024, on our consideration of Young Women's Christian Association of Hamilton, Ohio, Inc. and Subsidiaries' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Young Women's Christian Association of Hamilton, Ohio, Inc. 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 Young Women's Christian Association of Hamilton, Ohio, Inc. and Subsidiaries' internal control over financial reporting and compliance.

Stephenson and Warner, Inc.

Stephenson and Warner, Inc.
Hamilton, Ohio

December 27, 2024

Young Women's Christian Association of Hamilton, Ohio, Inc. and Subsidiaries
Consolidated Statement of Financial Position
June 30, 2024

Assets

Current assets	
Cash and cash equivalents	\$ 1,013,901
Accounts receivable	138,441
Accounts receivable - related party	32,509
Prepaid expenses	91,110
Current portion of unconditional promises to give	71,500
Current portion of unconditional promises to give - facility usage (related party)	5,196
Total current assets	<u>1,352,657</u>
Unconditional promises to give, net of current portion	35,150
Beneficial interest in assets held by others	1,801,657
Notes receivable - related party	887,234
Unconditional promises to give - facility usage, net of current portion (related party)	270,902
Right of use assets - operating leases	746
Property and equipment, net	<u>2,340,629</u>
Total assets	<u><u>6,688,975</u></u>

Liabilities and Net Assets

Current liabilities	
Current portion of lease liabilities	746
Accounts payable	31,482
Accrued expenses	10,161
Accrued payroll and related	110,994
Grant advancements	10,905
Total current liabilities	<u>164,288</u>
Notes payable	<u>887,234</u>
	887,234
Total liabilities	<u>1,051,522</u>
Net assets	
Net assets without donor restrictions	5,354,189
Net assets without donor restrictions - Board designated	7,166
Total net assets without donor restrictions	<u>5,361,355</u>
Net assets with donor restrictions	<u>276,098</u>
Total net assets	5,637,453
Total liabilities and net assets	<u><u>\$ 6,688,975</u></u>

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

Young Women's Christian Association of Hamilton, Ohio, Inc. and Subsidiaries
Consolidated Statement of Activities
For the Year Ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Operating support and revenue			
Support			
Contributions	\$ 376,285	\$ -	\$ 376,285
Contributions - in-kind	-	281,294	281,294
United Way	35,431	-	35,431
Government grants	1,413,861	-	1,413,861
Net assets released from restrictions	28,196	(28,196)	-
Total support	1,853,773	253,098	2,106,871
Contract revenue			
Management fees	22,569	-	22,569
Total contract revenue	22,569	-	22,569
Other income and revenue			
Other income	5,820	-	5,820
Beneficial interest activity, net and interest income	190,466	-	190,466
Total other income and revenue	196,286	-	196,286
Total support and revenue	2,072,628	253,098	2,325,726
Operating expenses			
Program	1,673,093	-	1,673,093
Management and general	203,574	-	203,574
Fundraising	14,917	-	14,917
YWCA Apartments, LP	122,575	-	122,575
Total expenses	2,014,159	-	2,014,159
Operating change in net assets	58,469	253,098	311,567
Loss on sale of property	(166,658)	-	(166,658)
Change in net assets	(108,189)	253,098	144,909
Net assets, beginning of the year	5,469,544	23,000	5,492,544
Net assets, end of the year	<u>\$ 5,361,355</u>	<u>\$ 276,098</u>	<u>\$ 5,637,453</u>

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

Young Women's Christian Association of Hamilton, Ohio, Inc. and Subsidiaries
Consolidated Statement of Functional Expenses
For the Year Ended June 30, 2024

	Program					Management and General	Fundraising	YWCA Apartments, LP	Total
	Racial Justice	Youth Program	Goodman Place	Dove House	Total				
Personnel expenses									
Compensation	\$ 67,622	\$ 86,434	\$ 513,863	\$ 397,898	\$ 1,065,817	\$ 61,182	\$ 4,152	\$ -	\$ 1,131,151
Payroll taxes	5,268	6,614	40,045	31,559	83,486	7,010	319	-	90,815
Employee benefits	3,955	5,363	34,180	17,237	60,735	5,178	493	-	66,406
	76,845	98,411	588,088	446,694	1,210,038	73,370	4,964	-	1,288,372
Professional services	22,442	15,448	51,027	30,048	118,965	54,319	129	6,021	179,434
Depreciation	14,534	9,561	14,534	97,152	135,781	9,561	-	-	145,342
Occupancy	890	891	-	18,827	20,608	6,525	-	81,296	108,429
Supplies	4,515	25,175	7,401	29,413	66,504	7,715	-	-	74,219
Insurance	59	62	4,256	1,773	6,150	1,115	-	34,528	41,793
Equipment rental and maintenance	2,036	1,843	11,916	14,258	30,053	6,104	-	-	36,157
Membership dues	447	121	9,508	4,145	14,221	18,199	-	-	32,420
Advertising	17,036	599	655	3,815	22,105	4,905	-	-	27,010
Assistance	-	-	2,008	13,007	15,015	-	-	-	15,015
Conferences	393	183	2,926	4,085	7,587	7,334	-	-	14,921
Miscellaneous	4,020	-	54	-	4,074	8,071	-	730	12,875
Travel	557	769	2,829	3,734	7,889	4,974	-	-	12,863
Telephone	72	82	5,682	4,540	10,376	935	-	-	11,311
Special events	-	-	-	-	-	-	9,824	-	9,824
Printing	440	119	482	1,370	2,411	171	-	-	2,582
Recruitment	47	125	635	509	1,316	276	-	-	1,592
	\$ 144,333	\$ 153,389	\$ 702,001	\$ 673,370	\$ 1,673,093	\$ 203,574	\$ 14,917	\$ 122,575	\$ 2,014,159

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

Young Women's Christian Association of Hamilton, Ohio, Inc. and Subsidiaries

Consolidated Statement of Cash Flows

For the Year Ended June 30, 2024

Cash flows from operating activities	
Change in net assets	\$ 144,909
Adjustments to reconcile change in net assets to net cash used by operating activities:	
Depreciation	145,342
Loss on sale of property and equipment	108,619
Net beneficial interest activity	(184,257)
Capital campaign contributions	(201,930)
Present value discount on unconditional promises to give	(665)
Unconditional promises to give - facility usage	(276,098)
Allowance for unconditional promises to give	11,875
Increase (decrease) in cash from changes in operating assets and liabilities	
Accounts receivable	146,944
Accounts receivable - related party	3,126
Prepaid expenses	(69,827)
Deposits	1,000
Accounts payable	(8,410)
Accrued expenses	(682)
Accrued payroll and related	45,475
Grant advancements	10,905
Cash used by operating activities	<u>(123,674)</u>
Cash flows from investing activities	
Additions to beneficial interest	(527)
Sale of property and equipment	394,919
Cash provided by investing activities	<u>394,392</u>
Cash flows from financing activities	
Contributions received for capital campaign	269,159
Cash provided by financing activities	<u>269,159</u>
Net change in cash and cash equivalents and restricted cash and cash equivalents	<u>539,877</u>
Cash and cash equivalents and restricted cash and cash equivalents, beginning of the year	<u>474,024</u>
Cash and cash equivalents and restricted cash and cash equivalents, end of the year	<u><u>\$ 1,013,901</u></u>
Noncash investing and financing activities:	
Forgiven amount on notes payable	\$ 30,000
Forgiven amount on notes receivable	\$ 30,000
Additions to beneficial interest	<u><u>\$ 527</u></u>

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

Young Women's Christian Association of Hamilton, Ohio, Inc. and Subsidiaries
Notes to Consolidated Financial Statements
June 30, 2024

Note 1 – Nature of Operations and Summary of Significant Accounting Policies

The Young Women's Christian Association of Hamilton, Ohio, Inc. (the Organization) is a nonprofit corporation chartered in the State of Ohio. The Organization has been serving the women, girls and families of Butler County, Ohio since 1900. The Organization is actively involved in issues related to eliminating racism and empowering women, including racial justice, domestic violence prevention and education, victim advocacy, safe affordable housing for low-income women, and programs for young girls. The Organization receives funding primarily from the Butler County Mental Health and Addiction Recovery Services Board, the State of Ohio through its state agencies, various federal agencies of the United States of America, the United Way, and private donations. The Organization is CARF accredited. CARF, Commission on Accreditation of Rehabilitation Facilities, offers accreditation for human service providers of the aging, behavioral health, and children services. In 2001, the Organization formed a for-profit Ohio corporation, YWCA of Hamilton Apartments, Inc. (the Corporation). Also, in 2001, the Organization formed a for-profit Ohio partnership, YWCA of Hamilton Apartments Limited Partnership (the Partnership). The purpose for creating the for-profit corporation and partnership was to assist the Organization to rehabilitate, construct, build and own a qualified low-income housing project. The Organization owns 100% of the Corporation's outstanding stock as of June 30, 2024. The Corporation owns 99.25% of the Partnership.

The Partnership was formed to acquire, rehabilitate, own, and operate a 38-unit affordable rental housing project located in Hamilton, Ohio. The Partnership began leasing apartments in December 2004. The Organization moved out of that facility in December 2022 and in April 2024 the facility was sold, all loans, which were held by the Organization, related to the facility were forgiven, and the 0.75% interest held by NHS Network I, Inc. was transferred to a disregarded entity (244 Dayton GP, LLC – sole member LLC) controlled by the Organization. In January 2025 the Partnership, Corporation and disregarded entity will be dissolved.

The Organization created the YWCA Hamilton PSH, LLC (the PSH) in June 2020 for the purpose of purchasing property and constructing a new qualified low-income housing facility and shelter and the Organization began managing in December 2022. The YWCA Hamilton PSH Associates, LLC (the PSH Associates) was created for the purpose holding a 0.10% interest in PSH. PSH Associates is 100% owned by the Organization. The YWCA Hamilton PSH, LLC is owned by YWCA Hamilton PSH Associates, LLC, 0.10%, and an OCCH Fund (Ohio Capital Corporation for Housing), 99.90%.

Summary of Significant Accounting Policies

Method of Consolidation – The consolidated financial statements include the accounts of Young Women's Christian Association of Hamilton, Ohio, Inc. and subsidiaries, YWCA of Hamilton Apartments, Inc., YWCA of Hamilton Apartments Limited Partnership and YWCA Hamilton PSH Associates, LLC. All material related entity transactions were eliminated.

Note 1 – Nature of Operations and Summary of Significant Accounting Policies – continued

Basis of Presentation – The consolidated financial statements are presented in accordance with accounting principles generally accepted in the United States of America, as contained in the Accounting Standards Codification (ASC) issued by the Financial Accounting Standards Board (FASB).

Use of Estimates – The preparation of the 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 reported amounts and related disclosures. Significant estimates include the estimated useful lives of property and equipment, the fair value of financial instruments, and allocation of common expenses as program and supporting services. Actual results could differ from those estimates.

Cash and Cash Equivalents and Restricted Cash and Cash Equivalents – Consist of cash and other highly liquid resources with an original maturity of three months or less when purchased.

Accounts Receivable – The Organization does not require collateral or other security for the accounts receivable. The accounts receivable is adjusted to an amount considered fully collectible by management. Management routinely reviews past due accounts. An allowance for credit losses is based on management's evaluation of outstanding accounts. Balances that are outstanding after management has used reasonable collection efforts are written-off through a charge to the valuation account and a credit to trade accounts receivable, no accounts were written-off in 2024.

Beneficial Interest in Assets Held by Others – Beneficial interest in assets held by others is reported at fair value with the change in fair value recognized on the consolidated statement of activities.

Property and Equipment – Property and equipment are reported at cost, if purchased, or at fair value at the date of the gift, if donated, less accumulated depreciation. Depreciation is provided by using the straight-line method over the estimated useful lives of the assets. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is recognized in the change in net assets for the period. The cost of maintenance and repairs is charged to expense as incurred; significant renewals and betterments are capitalized. Generally, purchases of property and equipment having a unit cost in excess of \$1,000 and a useful life of more than one year are capitalized. The general range of useful lives for financial reporting is 5 to 45 years for building improvements; 5 to 10 years for furniture and equipment and 3 years for computers and software. The Organization assesses the recoverability of the carrying amount of property and equipment if events or changes occur, such as a significant decrease in the market value of the assets or a significant change in operating activities. Gifts of long-lived assets or others used to acquire, or construct property or equipment are released from restriction when the assets are placed in service unless donor-imposed restrictions extend beyond that date.

Leases – The Organization accounts for leases in accordance with FASB ASC 842. Leases are evaluated using the criteria outlined in FASB ASC 842 to determine whether they will be classified as operating leases or finance leases. The Organization determines if an arrangement is a lease, or contains a lease, at inception of a contract and when the terms of an existing contract are changed. The Organization determines if an arrangement conveys the right to use an identified asset and whether the Organization obtains substantially all of the economic benefits from and has the ability to direct the use of the asset. The Organization recognizes a lease liability and right of use asset at the commencement date of the lease.

Note 1 – Nature of Operations and Summary of Significant Accounting Policies – continued

Lease liabilities. A lease liability is measured based on the present value of its future lease payments. Variable payments are included in the future lease payments when those variable payments depend on an index or rate and are measured using the index or rate at the commencement date. Lease payments, including variable payments made based on an index rate, are remeasured when any of the following occur: (1) the lease is modified (and the modification is not accounted for as a separate contract), (2) certain contingencies related to variable lease payments are resolved, or (3) there is a reassessment of any of the following: the lease term, purchase options, or amounts that are probable of being owed under a residual value guarantee. The Organization uses the risk-free rate at the commencement of the lease.

Right of use assets (ROU). A ROU asset is measured at the commencement date at the amount of the initially measured liability plus any lease payments made to the lessor before or after commencement date, minus any lease incentives received, plus any initial direct costs. Unless impaired, the ROU asset is subsequently measured throughout the lease term at the amount of the lease liability (that is the present value of the remaining lease payments), plus unamortized initial direct costs, plus (minus) any prepaid rent (accrued lease payments, less the unamortized balance of lease incentives received). Lease cost for lease payments is recognized on a straight-line basis over the lease term. Finance lease ROU assets are amortized on a straight-line basis over the shorter of the lease term or the remaining useful life of the asset and are recorded with property and equipment on the consolidated statement of financial position.

Accounting policy election for short-term leases. The Organization has elected for all underlying classes of assets, to not recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less, but greater than 1 month at lease commencement, and do not include an option to purchase the underlying asset that the Organization is reasonably certain to exercise. The Organization recognizes lease cost associated with its short-term leases on a straight-line basis over the lease term. The Organization's leases do not include termination options for either party to the lease, guaranteed residual values or restrictive financial or other covenants.

Net Assets – The Organization classifies net assets in accordance with the presence or absence of donor restrictions.

Net Assets Without Donor Restrictions – Net assets without donor restrictions are free from donor-imposed restrictions. The net assets without donor restrictions may be used at the discretion of management to support the Organization's purposes and operations.

Net Assets Without Donor Restriction - Board Designated – Designated net assets without donor restrictions are to be used for the expressed purpose as voted on by the Board of Directors. The assets are used, as needed, to provide funds for capital purchases of property and equipment.

Net Assets With Donor Restrictions – The net assets with donor restrictions are restricted by donor-imposed time restrictions or purpose restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, restricted net assets are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from restrictions.

Fair Value of Financial Instruments – ASC Section 820 requires certain disclosures for the fair value measurements of financial assets and financial liabilities. Fair value is 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.

Note 1 – Nature of Operations and Summary of Significant Accounting Policies – continued

ASC Section 820 establishes a framework for measuring fair value which includes a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The highest priority is given to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under ASC Section 820 are:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization is able to access.

Level 2 – Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets in inactive markets, inputs other than quoted prices that are observable for the asset or liability, and inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

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

The level at which the fair value of an asset or liability will be measured is based on the highest priority of any available input that is significant to the fair value measurement. Valuation techniques used attempt to maximize the use of observable inputs and minimize the use of unobservable inputs. These standards apply to all financial assets and liabilities as well as nonfinancial assets and liabilities that are recognized or disclosed at fair value in the consolidated financial statements on a recurring basis (at least annually). The valuation methodologies, which have not changed during 2024 are:

The carrying values of cash and cash equivalents, accounts receivable, accounts receivable – related party and accounts payable approximate their fair values due to their short-term duration. The beneficial interest in assets held by others (Level 2) is reported at fair value. The notes payable and note receivables – related party are not reported at fair value; management believes any difference between the reported amount and fair value is insignificant to the consolidated financial statements taken as a whole. There are no other fair value measurements with respect to nonfinancial assets or liabilities that are recognized or disclosed at fair value in our consolidated financial statements on a recurring basis. The tabular presentation of the fair value of financial instruments, besides the beneficial interest in assets held by others, is not considered necessary since it is presented in the consolidated statement of financial position by the amounts reported.

Support and Revenue – Contributions are recognized as revenue when the funds or assets are received, or unconditional promises to give are received. All contributions are considered to be available for the Organization's general programs unless specifically restricted by the donor. Amounts received that are designated for future purposes or restricted by the donor are reported as restricted support and increase net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported on the consolidated statement of activities as net assets released from restrictions. Contributions received with donor-imposed conditions and restrictions that are achieved in the same reporting period are reported as support without donor restrictions and increase net assets without donor restrictions. Conditional promises to give – that is, those with measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met.

Note 1 – Nature of Operations and Summary of Significant Accounting Policies – continued

The Organization may occasionally receive non-cash gifts and contributions from donors. The Organization records the estimated fair value of certain non-cash contributions as contributions and an asset or expense in the consolidated financial statements. Gifts of long-lived assets or others used to acquire, or construct property or equipment are released from restriction when the assets are placed in service unless donor-imposed restrictions extend beyond that date. A portion of the Organization's revenue is derived from cost-reimbursable federal, state, and local contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Usually, the Organization does not receive government grant funds in advance of incurring qualifying expenses, however in such cases the Organization would report such funds as refundable advances on the consolidated statement of financial position. The Organization had six government grants with a period end date after June 30, 2024, the remaining available funding on these grants was approximately \$190,000.

The Organization receives a management fee for the management of the facility, which is owned by PSH (a related party). The management fee is recognized monthly after the service is provided, PSH also reimburses the Organization for expenses incurred related to the management of the facility.

Unconditional Promises to Give – Consist of amounts that have been unconditionally promised to the Organization. The promises to give are reported based on net realizable value. For promises to give expected to be collected in more than one-year, net realizable value is computed using a present value technique applied to anticipated cash flows. Amortization of the resulting discount is recognized as additional contribution income. The discount rate was 1% for 2024. Management estimates an allowance for uncollectible promises based on current economic conditions, historical trends, and current and past experience with the donor base.

Expense Allocation – The Organization records identifiable costs to programs, management and general and fundraising. Certain categories of expenses are attributable to more than one program or supporting function and are allocated on a reasonable basis that is consistently applied. The expenses that are allocated are compensation, payroll taxes, and benefits, which are allocated on an estimate of time and effort basis; occupancy costs, which are allocated on a square footage basis; and supplies and office equipment, which are evenly allocated between programs if the Organization cannot easily determine which program was responsible for the expense. There is no allocation of the Corporation's expenses and Partnership's expenses.

Advertising Costs – The Organization reports advertising costs as an expense when incurred.

Income Taxes – The Organization is exempt from federal income tax under the provisions of Internal Revenue Code Section 501(c)(3). The Internal Revenue Service has determined that the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a). The Organization believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions. The Organization's information returns for the years 2021 through 2024 are subject to examination by the Internal Revenue Service, although that agency has not indicated any intent to do so.

The Corporation is a for profit corporation, which recognizes deferred taxes for the future tax effects of temporary differences between financial and income tax reporting based on enacted tax laws and rates. The Corporation incurred net operating loss for the year ended June 30, 2024. The estimated tax benefit for the cumulative net operating losses was fully reserved. The estimated tax benefits were zero for 2024.

Note 1 – Nature of Operations and Summary of Significant Accounting Policies – continued

The Corporation believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions. The Corporation's tax returns for the years 2021 through 2024 are subject to examination by the Internal Revenue Service, although that agency has not indicated any intent to do so. The Corporation's cumulative net operating loss carryforward that is fully reserved is \$1,427,309 as of June 30, 2024, and expires between 2024 and 2044.

The Partnership is not subject to income tax. Therefore, taxable income and losses are allocated directly to the partners for inclusion on their respective tax returns. The Partnership's federal tax status as a pass-through entity is based on its legal status as a limited partnership. Accordingly, the Partnership is not required to take any tax positions in order to qualify as a pass-thru entity. The Partnership is required to file and does file tax returns with the Internal Revenue Service and other taxing authorities. Accordingly, the accompanying consolidated financial statements do not include a provision for income taxes and the Partnership has no other tax positions which must be considered for disclosure. The Partnership has no uncertain tax positions. The Partnership's tax returns for the years 2021 through 2024 are subject to examination by the Internal Revenue Service, although that agency has not indicated any intent to do so.

The PSH Associates is a for profit LLC taxed as a corporation, which recognizes deferred taxes for the future tax effects of temporary differences between financial and income tax reporting based on enacted tax laws and rates. The PSH Associates incurred net operating loss through December 31, 2023 (PSH Associates year end is December 31). The estimated tax benefit for the cumulative net operating losses was fully reserved. The estimated tax benefits were zero at June 30, 2024. The PSH Associates believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions. The PSH Associates tax returns for the years 2021 through 2024 are subject to examination by the Internal Revenue Service, although that agency has not indicated any intent to do so. The PSH Associates' cumulative net operating loss carryforward that is fully reserved is \$1,904 as of December 31, 2023, and expires between 2023 and 2043.

Note 2 – Date of Management's Review

In preparing the consolidated financial statements, management has evaluated events and transactions subsequent to June 30, 2024, for potential recognition or disclosure through December 27, 2024, which represents the date the consolidated financial statements, were available to be issued.

Note 3 – Cash and Cash Equivalents and Restricted Cash and Cash Equivalents

For the purposes of the consolidated statement of financial position and the consolidated statement of cash flows, cash and cash equivalents consist of cash held in checking and money market accounts with a bank and cash on hand. Assets reserved for certain purposes on the consolidated statement of financial position include restricted cash and cash equivalents received with restrictions imposed by donors for certain purposes noted below. The following table provides a reconciliation of cash and cash equivalents and restricted cash and cash equivalents reported within the consolidated statement of financial position that sum to the totals of the same such amounts in the consolidated statement of cash flows.

Cash and cash equivalents	\$ 1,013,901
Restricted cash and cash equivalents	-
	<u>\$ 1,013,901</u>

Note 4 – Accounts Receivable, net

The balance consists of the following:

Ohio Council of YWCA	\$ 24,743
HUD	24,573
State of Ohio	89,125
	<u>\$ 138,441</u>

Contract receivables consists of the following:

	<u>2024</u>	<u>2023</u>
PSH - management fees and expense reimbursement	\$ 32,509	\$ 35,635
Allowance for credit losses	-	-
	<u>\$ 32,509</u>	<u>\$ 35,635</u>

Note 5 – Unconditional Promises to Give

The promises to give at June 30, 2024 consist of the following:

Due within one year	\$ 71,500
Due in two to five years	47,500
Due greater than five years	-
	<u>119,000</u>
Less: Allowance for uncollectible promises to give	(11,875)
Less: Unamortized discount	(475)
	<u>\$ 106,650</u>

Note 6 – Property and Equipment, net

The balances were:

Furnishings, fixtures and equipment	\$ 918,988
Leasehold improvements	1,720,951
	<u>2,639,939</u>
Accumulated depreciation	(299,310)
Property and equipment, net	<u>\$2,340,629</u>
Depreciation	<u>\$ 145,342</u>

Note 7 – Beneficial Interest in Assets Held by Others

The Organization was named a beneficiary of an estate that was contributed to the Hamilton Community Foundation (Foundation) to distribute to the various beneficiaries. The Organization's interest in the estate was not restricted and the funds did not have to be maintained at the Foundation. The Organization via an agreement with the Foundation established a fund with the Foundation with the proceeds of the estate contribution, the YWCA Hugus Fund, and named the Organization as the beneficiary of the fund. Funds may be disbursed at the request of the Organization's Executive Director and Board Chair to support the Organization.

Note 7 – Beneficial Interest in Assets Held by Others – continued

The Organization created a second fund with the Foundation, the YWCA Hamilton Fund. The second fund is an agency fund and is to be used to support the programs and operations of the Organization.

The beneficial interest in assets held by others represents transactions wherein the Organization acted as a donor and contributed dollars to the respective funds and then specified itself as the beneficiary.

These transactions meet the accounting definition of a reciprocal transaction and are not subject to the variance power clause as identified in the established agreements with the Foundation. Donations made from third-party sources to the respective funds are considered the assets of the Foundation and are not reported by the Organization. As of June 30, 2024, no donations have been made to the fund by third-party sources. The fund received contributions of \$527 in 2024 from the Hugus estate that the Organization does not believe is a third-party source.

The beneficial interest in assets held by others as of June 30, 2024 is reported at fair value and consists of the following:

	Level 1	Level 2	Level 3	Total
YWCA Hugus Fund	\$ -	\$ 672,170	\$ -	\$ 672,170
YWCA Hamilton Fund	-	1,129,487	-	1,129,487
	<u>\$ -</u>	<u>\$ 1,801,657</u>	<u>\$ -</u>	<u>\$ 1,801,657</u>

The change in beneficial interest in assets held by others consists of the following:

Beginning balance	\$1,616,873
Interest and dividend income	46,259
Unrealized gain (loss)	152,189
Contributions	527
Administrative fees	(14,191)
Withdrawals	-
	<u>\$1,801,657</u>

Note 8 – Notes Payable/Notes Receivable – PSH

The Organization has a note payable with the Ohio Department of Mental Health and Addiction Services to assist with the new facility constructed by PSH. The note payable amount is \$500,000. The note payable is forgivable over a 30-year period beginning December 2022 as long as the new facility is used for approved behavioral health services and other compliance requirements are met. The note payable agreement does not list an interest rate, and the note is secured by the facility at 1570 Grand Blvd. Hamilton, Ohio but is subordinate to the PSH construction loan. The funds received from the note payable were issued to PSH and a note receivable signed (see below). The Organization is recording imputed interest for the loan using the same interest rate as the related note receivable (2.50%).

The Organization and PSH have a note receivable for \$500,000. The note is to be repaid over 30 years beginning December 2022 and the note is to accrue interest at 2.50%, however the Organization plans to forgive the note receivable in the same manner as the related note payable.

Note 8 – Notes Payable/Notes Receivable – PSH – continued

The Organization has a note payable with Butler County, Ohio to assist with the new facility constructed by PSH. The note payable amount is \$400,000. The note payable is forgivable over a 30-year period beginning December 2022 as long as affordable housing is provided at the new facility and other compliance requirements are met. The note payable agreement does not list an interest rate, and the note is secured by the facility at 1570 Grand Blvd. Hamilton, Ohio but is subordinate to the PSH construction loan. The funds received from the note payable were issued to PSH (see below). The Organization is recording imputed interest for the loan using the same interest rate as the related note receivable (2.50%).

The Organization and PSH have a note receivable for \$400,000. The note is to be repaid over 30 years beginning December 2022 and the note is to accrue interest at 2.50%, however the Organization plans to forgive the note receivable in the same manner as the related note payable.

Below is a summary of the Organization's notes payable and related notes receivable as of June 30, 2024:

ODMHAS note payable	\$ 500,000
Accrued interest	19,297
Note forgiven	(26,390)
	<u>492,907</u>
Butler County note payable	400,000
Accrued interest	15,438
Note forgiven	(21,111)
	<u>394,327</u>
Total notes payable	<u>887,234</u>
Notes receivable with YWCA Hamilton PSH, LLC	900,000
Accrued interest	34,734
Note forgiven	(47,500)
	<u>887,234</u>
Total notes receivable	<u>\$ -</u>

Because the accrued interest on the notes payable and the notes receivable are the same amount management has elected not to record the accrued interest revenue and the accrued interest expense on the consolidated statement of activities.

Note 9 – Retirement Plan

For the year ended June 30, 2024, the Organization contributed \$29,873 to the YWCA Retirement Fund, Inc., which is a retirement plan covering eligible employees of YWCA Associations. For the year ended June 30, 2024, the Organization elected to make contributions equal to 7.5% of gross wages. The YWCA Retirement Fund, Inc. is a separate organization from YWCA USA and the Organization. The Organization has no known future obligations to the plan besides its elected contributions.

Note 10 – Operating Leases

In June 2021, the Organization signed a lease agreement for computer equipment for 36 months, with monthly payments of \$440. In June 2019, the Organization signed a lease agreement for a copier for 63 months, with monthly payments of \$250. The maturity of the lease liabilities as of June 30, is as follows:

2025	\$ 750
Total lease payments	750
Less present value adjustment	(4)
Present value of lease liabilities	746
Less current portion	-
	<u>\$ 746</u>

Other information related to leases as of or for the year ended June 30, 2024, is as follows:

Weighted-average remaining lease term	0 years
Weighted-average discount rate	2.88%

Supplemental cash flow information for the year ended June 30, 2024, are as follows:

Cash paid for amounts included in the measurements of lease liabilities	
Operating cash flows	<u>\$ 8,280</u>
Right of use assets obtained in exchange for lease liabilities	<u>\$ -</u>

Short-term leases

The Organization pays PSH \$1,050 a month for the space occupied by the Dove House program at the 1570 Grand Blvd. facility. This arrangement began in December 2022, and there is no written lease agreement but operates as a month-to-month lease. The Organization leases washer and dryers for \$150 a month on a month-to-month basis. The Organization leases storage units on a month-to-month basis. The short-term lease costs were \$15,048 in 2024.

Note 11 – Concentration of Risks and Uncertainties

The Organization operates principally in the Butler County, Ohio geographic area. The Organization receives significant funding from the Butler County Mental Health and Addiction Recovery Services Board, the State of Ohio through its state agencies, and various federal agencies of the United States of America.

The Organization's cash and accounts receivable are subject to credit risks. The Organization may maintain cash balances in financial institutions in excess of the amount insured by the Federal Deposit Insurance Corporation (FDIC). Management believes the risk of the amount in excess of the insurance is insignificant. The Organization does not require collateral or other securities to support its accounts receivable, which are with government agencies and nonprofit organizations. Realization of these items is dependent on various individual economic conditions. The beneficial interest in assets held by others and investments are subject to market risks.

Note 11 – Concentration of Risks and Uncertainties – continued

The Organization's government grants are subject to audits by various governmental agencies or their representatives. The agencies may conduct economic or efficiency audits, program audits or conduct monitoring visits. Such audits could lead to refunds to the agencies. Management believes refunds or repayments, if any, would not be material to the consolidated financial statement.

Note 12 – Liquidity and Availability of Financial Assets

As part of the Organization's liquidity management plan, cash in excess of estimated daily requirements is invested in a money market account or placed in the YWCA Hugus Fund or the YWCA Hamilton Fund at the Foundation.

The Organization's available financial assets consist of the following at June 30, 2024:

Financial assets at year end:

Cash and cash equivalents	\$ 1,013,901
Beneficial interest in assets held by others	1,801,657
Accounts receivable	170,950
Unconditional promises to give	106,650
	<hr/>
	3,093,158

Less those unavailable for general expenditures within one year, due to:

Donor restricted and Board designated:

Board designated	<hr/>
	(7,166)

Financial assets available to meet cash

needs for general expenditure within one year	<hr/>
	\$ 3,085,992

Note 13 – Related Party Transactions

On occasion, members of management and members of the Organization's Board of Directors or their employers make monetary contributions to the Organization.

The Organization created the PSH and the PSH Associates in June 2020 for the purpose of purchasing property and constructing a new qualified low-income housing facility and shelter for which the Organization manages. PSH Associates is 100% owned by the Organization. PSH is 0.10% owned by the PSH Associates and 99.90% by an OCCH Fund. The Organization and PSH are related through common management, and the Organization's interest in PSH through YWCA Hamilton PSH Associates, LLC, however the Organization does not control PSH and is not a variable interest entity.

PSH paid the Organization management fees of \$22,569 in 2024, for management of the 1570 Grand Blvd. facility. PSH paid the Organization approximately \$485,000 to reimburse the Organization for expenses incurred for the operation of the facility during 2024. PSH had accounts receivable with the Organization of \$32,509 at June 30, 2024. The Organization paid PSH \$12,612 in 2024 for rent of the Dove House program and administrative space at the 1570 Grand Blvd. facility, see Note 10 for additional information. See Note 14 regarding the in-kind rent provided by PSH to the Organization for the administrative space. See Note 8 regarding a note receivable between PSH and the Organization.

Note 13 – Related Party Transactions – continued

The investment in PSH by the PSH Associates represents 0.10% minority interest. The PSH Associates' investment represents the PSH Associates' paid in capital. The original value of the investment in PSH was \$1,101,000. The carrying value and the investment activity as of June 30, 2024 is as follows:

Investment in PSH	\$ 1,101,000
Loss attributed to minority interest	<u>(1,904)</u>
Carrying value prior to valuation adjustment	1,099,096
Valuation adjustment	<u>(1,099,096)</u>
Carrying value after valuation adjustment	<u><u>\$ -</u></u>

Note 14 – In-Kind Contributions

The Organization has a 45-year lease agreement with PSH for \$12 a year for the administrative space occupied by the Organization at the 1570 Grand Blvd. Because the annual rent is below a fair market value the Organization recorded unconditional promise to give for facility usage using \$433 as the monthly rent with 5% increases every five years. The \$433 monthly rate is an estimated fair value based on the rent paid by the Organization for the Dove House program to PSH, and the square footage occupied by the Dove House program and the administrative space at the 1570 Grand Blvd. facility.

The Organization recorded a time restricted in-kind contribution of \$281,294 and unconditional promise to give for facility usage for the same amount as of July 1, 2023 (the lease term began July 1, 2022). The lease includes three 10 year extensions, which are not included in the promise to give because management is unsure the extensions will be exercised. The promise to give was reduced by \$5,196 in 2024 and recognized as rent in 2024.

The maturity of the restricted promises to give – facility usage at June 30, consist of the following:

2025	\$ 5,196
2026	5,196
2027	5,196
2028	5,456
2028	5,456
Thereafter	<u>249,598</u>
	<u><u>\$ 276,098</u></u>

End of notes to consolidated financial statements.

**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
Young Women's Christian Association of Hamilton, Ohio, Inc.
Hamilton, 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 consolidated financial statements of the Young Women's Christian Association of Hamilton, Ohio, Inc. (a nonprofit organization) and Subsidiaries, which comprise the consolidated statement of financial position as of June 30, 2024, 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 December 27, 2024.



Report on 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 Hamilton, Ohio, Inc. 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 consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Young Women's Christian Association of Hamilton, Ohio, Inc. and Subsidiaries' internal control. Accordingly, we do not express an opinion on the effectiveness of the Young Women's Christian Association of Hamilton, Ohio, Inc. 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 combination of deficiencies, in internal control, such that there is 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 have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Young Women's Christian Association of Hamilton, Ohio, Inc. and Subsidiaries' consolidated financial statements are free of 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 consolidated 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 the Organization'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 Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Stephenson and Warner, Inc.

Stephenson and Warner, Inc.
Hamilton, Ohio

December 27, 2024