



**YWCA NORTHEAST INDIANA, INC.**

**FINANCIAL STATEMENTS**

**Years Ended December 31, 2022 and 2021**

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
YWCA Northeast Indiana, Inc.  
Fort Wayne, Indiana

### Opinion

We have audited the accompanying financial statements of YWCA Northeast Indiana, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of YWCA Northeast Indiana, Inc. as of December 31, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of YWCA Northeast Indiana, Inc. and 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 Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about YWCA Northeast Indiana, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## **Auditors' Responsibilities for the Audit of the Financial Statements**

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

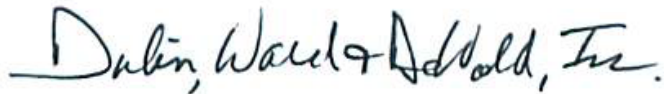
## **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated July 26, 2023 on our consideration of the YWCA Northeast Indiana, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the YWCA Northeast Indiana, Inc.'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 YWCA Northeast Indiana, Inc.'s internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Dublin, Ward & Addold, Inc." The signature is written in a cursive, flowing style.

Fort Wayne, Indiana

July 26, 2023

**YWCA NORTHEAST INDIANA, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
December 31, 2022 and 2021

	<b>2022</b>	<b>2021</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 764,402	\$ 39,132
Claims receivable - net of allowance for doubtful accounts of \$4,200 (2022 and 2021)	777,384	811,160
Contributions receivable - net	1,359,499	425,792
Contributions receivable - capital campaign - net	1,380,947	1,824,838
Accounts receivable - other	1,037,373	-
Prepaid expenses	7,634	28,833
Note receivable	1,368,750	-
Investments	3,346,884	4,013,472
Land and building held for sale	-	1,825,000
Beneficial interest	91,329	106,591
Land, buildings and equipment - net of accumulated depreciation	<u>4,869,195</u>	<u>3,980,326</u>
<b>Total Assets</b>	<u><u>\$15,003,397</u></u>	<u><u>\$13,055,144</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
Accounts payable	\$ 92,977	\$ 80,409
Accrued expenses	203,198	162,367
Note payable	<u>3,153,876</u>	<u>3,153,876</u>
<b>Total Liabilities</b>	3,450,051	3,396,652
Net Assets:		
Without donor restrictions	5,941,303	5,364,966
With donor restrictions	<u>5,612,043</u>	<u>4,293,526</u>
<b>Total Net Assets</b>	<u>11,553,346</u>	<u>9,658,492</u>
<b>Total Liabilities and Net Assets</b>	<u><u>\$15,003,397</u></u>	<u><u>\$13,055,144</u></u>

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

**YWCA NORTHEAST INDIANA, INC.**  
**STATEMENTS OF ACTIVITIES**  
Years Ended December 31, 2022 and 2021

	Without Donor Restrictions	With Donor Restrictions	2022 Total	Without Donor Restrictions	With Donor Restrictions	2021 Total
<b>CHANGES IN NET ASSETS</b>						
<b>Support, Revenues and Gains:</b>						
Contributions	\$ 309,969	\$ 2,191,278	\$ 2,501,247	\$ 114,030	\$ 3,114,134	\$ 3,228,164
Contributed non-financial assets	71,189	-	71,189	-	-	-
Trust and estate distributions	64,173	-	64,173	66,143	-	66,143
United Way	17,500	42,750	60,250	-	100,000	100,000
Grants	72,853	-	72,853	15,050	-	15,050
Government grants - federal	2,299,195	-	2,299,195	1,421,416	-	1,421,416
Government grants - other	217,008	-	217,008	585,821	-	585,821
Special events:						
Proceeds	14,131	-	14,131	10,135	-	10,135
Less direct benefits to donors	(12,365)	-	(12,365)	(11,551)	-	(11,551)
Government contracts	421,487	-	421,487	800,608	-	800,608
Program service fees	55,155	-	55,155	123,292	-	123,292
Medicaid	205,169	-	205,169	287,368	-	287,368
Investment income - net fees	49,736	28,325	78,061	40,038	20,721	60,759
Gain on disposal of land, building and equipment	3,242	-	3,242	-	-	-
Gain on investments	-	-	-	107,314	92,410	199,724
Miscellaneous	1,037,705	-	1,037,705	13,567	-	13,567
<b>Net Assets Released From Restrictions</b>	<u>727,102</u>	<u>(727,102)</u>	<u>-</u>	<u>977,485</u>	<u>(977,485)</u>	<u>-</u>
<b>Total Support, Revenues and Gains</b>	<u>5,553,249</u>	<u>1,535,251</u>	<u>7,088,500</u>	<u>4,550,716</u>	<u>2,349,780</u>	<u>6,900,496</u>
<b>Expenses and Losses:</b>						
Recovery services	943,337	-	943,337	1,379,984	-	1,379,984
Opportunity services	1,332,349	-	1,332,349	1,095,881	-	1,095,881
Success services	1,003,710	-	1,003,710	805,929	-	805,929
Racial Justice	22,632	-	22,632	23,314	-	23,314
Management and general	699,918	-	699,918	470,432	-	470,432
Fundraising	598,700	-	598,700	565,203	-	565,203
Regional YWCA affiliation dues	22,358	-	22,358	15,614	-	15,614
Loss on investments	353,908	216,734	570,642	-	-	-
<b>Total Expenses and Losses</b>	<u>4,976,912</u>	<u>216,734</u>	<u>5,193,646</u>	<u>4,356,357</u>	<u>-</u>	<u>4,356,357</u>
					#	
<b>CHANGE IN NET ASSETS</b>	<u>576,337</u>	<u>1,318,517</u>	<u>1,894,854</u>	<u>194,359</u>	<u>2,349,780</u>	<u>2,544,139</u>
<b>NET ASSETS - beginning of year</b>	<u>5,364,966</u>	<u>4,293,526</u>	<u>9,658,492</u>	<u>5,170,607</u>	<u>1,943,746</u>	<u>7,114,353</u>
<b>NET ASSETS - end of year</b>	<u>\$ 5,941,303</u>	<u>\$ 5,612,043</u>	<u>\$ 11,553,346</u>	<u>\$ 5,364,966</u>	<u>\$ 4,293,526</u>	<u>\$ 9,658,492</u>

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

**YWCA NORTHEAST INDIANA, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
Year Ended December 31, 2022

	Program Services				Supporting Services		
	Recovery Services	Opportunity Services	Success Services	Racial Justice	Management & General	Fundraising	2022
Salaries	\$ 568,316	\$ 736,194	\$ 677,414	\$ 17,205	\$ 405,345	\$ 197,596	\$ 2,602,070
Employee health and retirement benefits	63,881	54,860	72,713	2,413	36,265	25,815	255,947
Payroll taxes	46,417	58,677	53,024	1,352	30,974	15,478	205,922
<b>Total Salaries and Related Expenses</b>	678,614	849,731	803,151	20,970	472,584	238,889	3,063,939
Client welfare	33,828	285,465	71,647	5	338	2,258	393,541
Occupancy	96,066	102,408	64,663	546	15,960	110,241	389,884
Professional fees	77,394	25,334	13,863	388	32,340	89,943	239,262
Other	5,973	4,402	5,935	137	1,378	120,610	138,435
Interest expense	-	-	-	-	134,224	-	134,224
Equipment expense	20,328	16,223	10,496	320	8,769	11,318	67,454
Staff training and meeting	7,677	6,014	7,031	62	3,615	1,317	25,716
Supplies and program expense	4,259	5,614	1,358	47	602	8,926	20,806
Travel expense	3,800	6,404	8,104	26	1,319	286	19,939
Communications	(2,533)	4,231	10,848	65	2,628	352	15,591
Special events	-	24	132	1	224	12,329	12,710
Membership dues	507	308	675	13	1,500	1,445	4,448
Marketing	-	-	-	-	920	-	920
<b>Total Expenses Before Depreciation</b>	925,913	1,306,158	997,903	22,580	676,401	597,914	4,526,869
Depreciation	17,424	26,191	5,807	52	23,517	786	73,777
<b>Functional Expenses per Statement of Activities</b>	943,337	1,332,349	1,003,710	22,632	699,918	598,700	4,600,646
Expenses included in support, revenues and gains:							
Cost of direct benefit to donors	-	-	-	-	-	12,365	12,365
Regional YWCA affiliation dues	-	-	-	-	22,358	-	22,358
<b>Total Functional Expenses</b>	<u>\$ 943,337</u>	<u>\$ 1,332,349</u>	<u>\$ 1,003,710</u>	<u>\$ 22,632</u>	<u>\$ 722,276</u>	<u>\$ 611,065</u>	<u>\$ 4,635,369</u>

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



**YWCA NORTHEAST INDIANA, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
Year Ended December 31, 2021

	Program Services				Supporting Services		
	Recovery Services	Opportunity Services	Success Services	Racial Justice	Management & General	Fundraising	2021
Salaries	\$ 825,724	\$ 618,088	\$ 555,459	\$ 17,695	\$ 293,236	\$ 198,157	\$ 2,508,359
Employee health and retirement benefits	100,365	49,108	67,380	2,704	31,939	18,980	270,476
Payroll taxes	68,492	50,053	44,684	1,387	22,796	15,617	203,029
<b>Total Salaries and Related Expenses</b>	994,581	717,249	667,523	21,786	347,971	232,754	2,981,864
Client welfare	49,019	191,338	53,074	-	42	7	293,480
Occupancy	177,056	89,743	24,582	411	13,040	145,713	450,545
Professional fees	76,690	18,204	13,644	430	57,734	73,746	240,448
Other	1,046	588	474	38	1,714	2,463	6,323
Interest expense	-	-	-	-	-	80,103	80,103
Equipment expense	30,485	33,150	15,916	392	8,553	14,885	103,381
Staff training and meeting	8,221	4,796	5,636	84	4,138	2,250	25,125
Supplies and program expense	4,789	3,073	677	9	1,042	463	10,053
Travel expense	4,683	8,540	5,874	1	51	4	19,153
Communications	7,147	3,196	11,133	5	2,759	741	24,981
Special events	-	-	-	-	-	9,902	9,902
Membership dues	5,596	1,460	1,841	105	2,320	1,370	12,692
Marketing	-	-	-	-	6,493	-	6,493
Bad debt expense	4,200	-	-	-	-	-	4,200
<b>Total Expenses Before Depreciation</b>	1,363,513	1,071,337	800,374	23,261	445,857	564,401	4,268,743
Depreciation	16,471	24,544	5,555	53	24,575	802	72,000
<b>Functional Expenses per Statement of Activities</b>	1,379,984	1,095,881	805,929	23,314	470,432	565,203	4,340,743
Expenses included in support, revenue and gains:							
Cost of direct benefit to donors	-	-	-	-	-	11,551	11,551
Regional YWCA affiliation dues	-	-	-	-	15,614	-	15,614
<b>Total Functional Expenses</b>	<u>\$ 1,379,984</u>	<u>\$ 1,095,881</u>	<u>\$ 805,929</u>	<u>\$ 23,314</u>	<u>\$ 486,046</u>	<u>\$ 576,754</u>	<u>\$ 4,367,908</u>

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

**YWCA NORTHEAST INDIANA, INC.**  
**STATEMENTS OF CASH FLOWS**  
Years Ended December 31, 2022 and 2021

	<b>2022</b>	<b>2021</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 1,894,854	\$ 2,544,139
Adjustments to reconcile change in net assets to cash flows from operating activities:		
Depreciation	73,777	72,000
Increase (decrease) in present value discount	(7,137)	189,153
Reinvested investment income - net of fees	(73,406)	(56,060)
Reinvested beneficial interest income - net of fees	(1,378)	(1,158)
Net (gain) loss on investments and beneficial interest	570,642	(199,724)
Donation of non-financial asset	(25,489)	-
Forgiveness of PPP loan	-	(394,000)
Gain on sale of land, building and equipment	(3,242)	-
Closing costs paid by outside source	112,735	4,744
Provision for bad debts	-	4,200
Cash contributions restricted for investment in land, building and equipment	(335,000)	(551,750)
Contributions receivable restricted for investment in land, building and equipment	(25,000)	(2,013,991)
Change in assets and liabilities:		
(Increase) decrease in:		
Claims receivable	33,776	(304,529)
Contributions receivable	(971,179)	28,282
Accounts receivable - other	(1,037,373)	-
Prepaid expenses	21,199	9,935
Increase (decrease) in:		
Accounts payable	12,568	(24,257)
Accrued expenses	40,831	9,506
	<hr/>	<hr/>
<b>Cash Flows From Operating Activities</b>	281,178	(683,510)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of investments	185,638	22,797
Proceeds from beneficial interest	354	-
Purchase of land, building and equipment	(937,915)	(623,553)
Proceeds from sale of property held for sale	343,515	-
Proceeds from sale of land, building and equipment	4,000	110,212
	<hr/>	<hr/>
<b>Cash Flows From Investing Activities</b>	(404,408)	(490,544)

(continued)

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

**YWCA NORTHEAST INDIANA, INC.**  
**STATEMENTS OF CASH FLOWS**  
Years Ended December 31, 2022 and 2021

	<b>2022</b>	<b>2021</b>
(continued)		
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Collection of contributions receivable - capital campaign	\$ 513,500	\$ 500
Cash contributions restricted for investment in land, building and equipment	<u>335,000</u>	<u>551,750</u>
<b>Cash Flows From Financing Activities</b>	<u>848,500</u>	<u>552,250</u>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	725,270	(621,804)
<b>CASH AND CASH EQUIVALENTS - beginning of year</b>	<u>39,132</u>	<u>660,936</u>
<b>CASH AND CASH EQUIVALENTS - end of year</b>	<u><u>\$ 764,402</u></u>	<u><u>\$ 39,132</u></u>

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

**YWCA NORTHEAST INDIANA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2022 and 2021

**1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization**

YWCA Northeast Indiana, Inc. (the YWCA) is a women's membership movement with Christian roots that draws together members from diverse backgrounds who are dedicated to eliminating racism, empowering women, and promoting peace, justice, freedom, and dignity for all. The YWCA strives to empower individuals, support families, and unite communities to improve the quality of life.

**Income Taxes**

The YWCA is a nonprofit voluntary health and welfare organization, exempt from income tax under Section 501(c)(3) of the Internal Revenue Code and has been classified as an organization that is not a private foundation under Section 509(a) of the Internal Revenue Code.

**Recent Accounting Guidance**

During 2022, the YWCA adopted Accounting Standards update (ASU) 2020-07, *Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets* as required by accounting principles generally accepted in the United States of America (U.S. GAAP). This ASU changes requirements on how contributed nonfinancial assets are reported on the financial statement. There was no effect on net assets in connection with the implementation of ASU 2020-07.

Also during 2022, the YWCA adopted ASU 2016-02, *Leases* (Topic 842), as required by U.S. GAAP. This ASU will require organizations that lease assets to recognize on the statement of financial position the assets and liabilities for the rights and obligations created by the leases. The Organization adopted this standard on January 1, 2022, and elected not to restate comparative periods in the period of adoption. Leases held by the YWCA at December 31, 2022 were not material to the financial statements, and were not recorded. When the YWCA enters into new long-term leases the requirements of ASU 2016-02 will be applied.

The Organization elected the package of practical expedients and to not separate lease and non-lease components for all leases. The Organization has elected the short-term lease exemption for all leases with a term of 12 months or less for both existing and ongoing operating leases to not recognize the asset and liability for these leases. Lease payments for short-term leases are recognized on a straight-line basis.

(continued)

## **1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES(continued)**

### **Net Asset Classifications**

Net assets without donor restrictions are available for use at the discretion of the YWCA's management and the board of directors. From time to time the board designates a portion of these net assets for specific purposes which makes them unavailable for use at management's discretion.

Net assets with donor restrictions consist of assets whose use is limited by donor-imposed time and/or purpose restrictions. The YWCA reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue with donor restrictions until the assets are placed in service.

Some net assets with donor restrictions include a stipulation that assets provided be maintained permanently (perpetual in nature) while permitting the YWCA to expend the income generated by the assets in accordance with the provisions of additional donor-imposed stipulations or a board approved spending policy. Investment earnings on these perpetual funds available for distribution are recorded in net assets without donor restrictions.

When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, the net assets are reclassified as net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

### **Estimates**

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

### **Receivables**

Claims receivable are due from government and other significant funding sources. The YWCA provides an allowance for uncollectible accounts which is based upon historical collection experience and management's estimates of the losses that will be incurred in the collection of all receivables.

The YWCA recognizes contributions receivable as public support in the year that a firm pledge is made, and if necessary, provides an allowance for uncollectible contributions receivable equal to the estimated collection losses that will be incurred in collection of all pledges. The estimated losses are based on historical collection experience coupled with a review of the current status of the existing receivables.

(continued)

## **1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES(continued)**

### **Revenue and Revenue Recognition**

The YWCA recognizes contributions, trust and estate distributions and United Way as public support when cash, other assets or an unconditional promise is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been met. Contributed property and equipment are recorded at fair value at the date of donation.

A portion of the YWCA's revenue is derived from cost-reimbursable federal and state 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 YWCA has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position.

Contributions of noncash financial assets are recognized as revenue and expense or capital assets and are recorded at market value on the date received.

The YWCA records special event revenue equal to the fair value of direct benefits to donors, and contribution income for the excess received when the event takes place.

The YWCA recognizes revenue from fees received on behalf of individuals residing at the Center and in Hope & Harriett houses on a per night basis. Government contracts, program service fees and Medicaid are recognized as revenue when the services are provided. All goods and services are transferred at a point in time.

Miscellaneous revenue is recognized as revenue when received.

### **Investments**

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair value in the statement of financial position. These investments are initially recorded at cost if they were purchased or at their fair market value on the date of the gift if they were received as a donation. Unrealized gains and losses are included in the statement of activities change in net assets.

(continued)

## 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES(continued)

### Cash and Cash Equivalents

For the purposes of the statement of cash flows, the YWCA considers all highly liquid investments with a maturity of three months or less at the time of purchase to be cash equivalents.

### Land, Buildings and Equipment

Land, buildings and equipment are stated at cost or at fair value where a recent appraisal is available or, if donated, at fair value at date of the gift. Items with a cost or value of \$5,000 or more and a useful life of one year or more are capitalized. The YWCA follows the policy of providing depreciation on the straight-line method for financial reporting purposes over the estimated useful lives of the related assets.

### Functional Expense Allocations

The costs of providing program and other activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses and program service expenses present the natural classification detail of expenses by function. The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. All allowable direct costs are charged directly to programs. The expenses that are allocated include the following:

Expense	Method of Allocation
Salaries and related expenses	Time and effort
Occupancy	Square footage
Other expenses	Percentage of budget

### Subsequent Events

Management has evaluated subsequent events through July 26, 2023, the date at which the financial statements were available for issue.

## 2. ACCOUNTS RECEIVABLE - OTHER

Accounts receivable – other at December 31, 2022 consists of \$1,037,373 of Employee Retention Credits for the quarters ended June 30, 2020 through June 30, 2021. The Organization is liable for payment of fees to an outside service provider equal to 20% of the Employee Retention Credits plus interest received from the IRS upon receipt of the payment from the IRS.

### 3. CONTRIBUTIONS RECEIVABLE

Contributions receivable as of December 31 consist of the following:

	2022	2021
Contributions receivable	\$ 2,922,462	\$ 2,439,783
Less allowance for doubtful accounts	-	-
Less unamortized present value discount (3.25% and 7.5%)	<u>(182,016)</u>	<u>(189,153)</u>
Net contributions receivable	<u>\$ 2,740,446</u>	<u>\$ 2,250,630</u>
Contributions receivable	\$ 1,359,499	\$ 425,792
Contributions receivable – capital campaign	<u>1,380,947</u>	<u>1,824,838</u>
	<u>\$ 2,740,446</u>	<u>\$ 2,250,630</u>
Amounts due in:		
Less than one year	\$ 1,260,902	\$ 787,008
One to five years	1,561,560	1,352,775
More than five years	<u>100,000</u>	<u>300,000</u>
	<u>\$ 2,922,462</u>	<u>\$ 2,439,783</u>

### 4. LAND, BUILDINGS AND EQUIPMENT

Land, buildings and equipment at December 31 consist of the following:

	2022	2021
Land	\$ 920,250	\$ 920,250
Buildings and building improvements	33,376	33,376
Equipment	<u>1,009,487</u>	<u>1,012,987</u>
	1,963,113	1,966,613
Accumulated depreciation	<u>750,712</u>	<u>679,677</u>
	1,212,401	1,286,936
Construction process	<u>3,656,794</u>	<u>2,693,390</u>
	<u>\$ 4,869,195</u>	<u>\$ 3,980,326</u>



## 5. INVESTMENTS

Investments at December 31 are summarized as follows:

	2022	2021
Fixed income	\$ 1,812,022	\$ 2,124,471
Equities	1,427,253	1,841,180
Real estate funds	<u>15,892</u>	<u>11,045</u>
	3,255,167	3,976,696
Cash and cash equivalents	<u>91,717</u>	<u>36,776</u>
	<u>\$ 3,346,884</u>	<u>\$ 4,013,472</u>

## 6. BENEFICIAL INTEREST

The beneficial interest totaling \$91,329 at December 31, 2022 and \$106,591 at December 31, 2021 consists of funds held by the Community Foundations of Greater Fort Wayne, DeKalb County, Huntington County, Noble County, Wells County and Whitley County (Foundations) which are the result of an agreement whereby the YWCA has transferred assets to the Foundations and has specified itself as the beneficiary of the assets. The YWCA may draw up to a certain percent of the value of the assets each year but may only obtain a return of the full value of the assets upon consent of the Foundations.

Additionally, the Community Foundations of Greater Fort Wayne and Dekalb County hold investment assets, with a value of \$49,047 at December 31, 2022 and \$52,466 at December 31, 2021, for the benefit of the YWCA for which the Foundation has retained variance power. These assets are not recorded as assets of the YWCA.

## 7. FAIR VALUE MEASUREMENT

Assets and liabilities recorded at fair value in the statement of financial position are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Level inputs are defined as follows:

*Level 1.* Unadjusted quoted prices in active markets for identical assets and liabilities.

*Level 2.* Observable inputs other than those included in Level 1, such as quoted market prices for similar assets or liabilities in active markets or quoted market prices for identical assets or liabilities in inactive markets.

(continued)

## 7. FAIR VALUE MEASUREMENT (continued)

*Level 3.* Unobservable inputs reflecting management's own assumptions about the inputs used in pricing the asset or liability. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets and liabilities measured at fair value.

*Investments.* Value determined by reference to quoted market prices and other relevant information generated by market transactions.

*Beneficial interest.* Value based upon the YWCA's proportionate share of the Community Foundations of Greater Fort Wayne, DeKalb County, Huntington County, Noble County, Wells County and Whitley County's pooled investment portfolios.

Fair value of assets and liabilities measured on a recurring basis at December 31, 2022 are as follows:

	Level 1	Level 3
Investments:		
Fixed income:		
Government obligations	\$ 56,074	\$ -
Corporate obligations	51,113	-
Domestic mutual funds	15,017	-
International mutual funds	27,911	-
Exchange - traded funds	1,661,907	-

(continued)

**7. FAIR VALUE MEASUREMENT (continued)**

	<b>Level 1</b>	<b>Level 3</b>
Equities:		
Consumer discretionary	\$ 16,581	\$ -
Consumer staples	8,347	-
Financials	15,962	-
Health care	20,336	-
Industrials	16,216	-
Information technology	51,602	-
Materials	2,572	-
International equities	28,967	-
Domestic mutual funds	85,476	-
International mutual funds	18,834	-
Exchange - traded funds	593,590	-
Mutual funds - equity	568,770	-
Real estate funds	15,892	-
Beneficial interest	<u>-</u>	<u>91,329</u>
	<u>\$ 3,255,167</u>	<u>\$ 91,329</u>

Fair value of assets and liabilities measured on a recurring basis at December 31, 2021 are as follows:

	<b>Level 1</b>	<b>Level 3</b>
Investments:		
Fixed income:		
Government obligations	\$ 19,945	\$ -
Corporate obligations	40,326	-
Domestic mutual funds	51,457	-
International mutual funds	31,005	-
Exchange - traded funds	641,738	-
Mutual funds - fixed income	1,340,000	-
Equities:		
Consumer discretionary	22,110	-
Consumer staples	11,688	-
Financials	19,569	-
Health care	21,622	-
Industrials	18,219	-
Information technology	76,970	-
Materials	4,655	-

(continued)

**7. FAIR VALUE MEASUREMENT (continued)**

	<b>Level 1</b>	<b>Level 3</b>
International equities	\$ 34,356	\$ -
Domestic mutual funds	108,376	-
International mutual funds	68,656	-
Exchange - traded funds	744,476	-
Mutual funds - equity	710,483	-
Real estate funds	11,045	-
Beneficial interest	<u>-</u>	<u>106,591</u>
	<u>\$ 3,976,696</u>	<u>\$ 106,591</u>

Following is a reconciliation of activity for assets and liabilities measured at fair value based on significant unobservable inputs for the year ending December 31:

	<b>Beneficial Interest</b>	
	<b>2022</b>	<b>2021</b>
Balance – beginning of year	\$ 106,591	\$ 91,573
Contributions	-	-
Total gains and losses included in earnings:		
Interest and dividends	2,485	3,027
Unrealized gain/(loss)	(17,580)	11,073
Realized gain/(loss)	1,294	2,787
Investment fees	<u>(1,107)</u>	<u>(1,869)</u>
	(14,908)	15,018
Disbursements	<u>(354)</u>	<u>-</u>
Balance – end of year	<u>\$ 91,329</u>	<u>\$ 106,591</u>

**8. NOTE PAYABLE**

The YWCA entered into a term loan with an available draw of \$4,200,000, with payments due as noted below with the final payment due January 15, 2029. The note bears interest at prime with a 3% floor (7.50% at December 31, 2022) and is secured by real estate. The balance on this note totaled \$3,153,876 at December 31, 2022 and 2021.

(continued)

**8. NOTE PAYABLE (continued)**

Payment on the above note include interest only payments commencing April 2022, due quarterly through December 31, 2023. At that time the terms are as follows:

<b>Payment date</b>	<b>Payment</b>
December 31, 2023	Reduce loan balance to \$2,000,000
December 31, 2024	\$250,000
December 31, 2025	\$250,000
December 31, 2026	\$200,000
December 31, 2027	\$200,000
December 31, 2028	\$200,000
January 15, 2029	Final payment due

Interest charged to operations totaled \$134,224 for 2022 and \$-0- for 2021.

**9. NOTE RECEIVABLE**

The YWCA entered into a note receivable from the Fort Wayne Rescue Mission, Inc. for the purchase of property on Decatur Road, Fort Wayne. The note bears no interest and is due in four installments, the first at closing and the last payment when Fort Wayne Rescue Mission, Inc. takes possession of the property. The note has a balance of \$1,368,750 at December 31, 2022.

**10. RETIREMENT PLAN**

The YWCA participates in a multi-employer defined benefit retirement plan (YWCA Retirement Fund, Inc.) administered by YWCA USA that covers all employees with at least two years of service who have worked 1,000 hours during any two years of employment. The YWCA contributes 5.0% of salary for the benefit of each participant, and the national retirement fund contributes an additional 2%. Participants are 100% vested immediately upon participation in the plan. No amounts were charged to operations for 2022 and 2021.

The YWCA sponsors a tax deferred annuity retirement plan under Section 403(b) of the Internal Revenue Code. The plan covers all employees over the age of 21. The employees are eligible following one year of continuous service with a minimum of 1,000 hours per year. The YWCA contributes 2% of an employee's earnings regardless of whether the employee contributes to the plan.

Contributions charged to operations were \$44,672 in 2022 and \$73,585 in 2021.

## 11. NET ASSETS

Net assets with donor restrictions are restricted as follows:

	2022	2021
Subject to time requirements:		
Contributions receivable	\$ 308,005	\$ 185,788
Capital campaign receivables	1,380,947	1,824,838
Unappropriated endowment earnings	<u>758,367</u>	<u>970,576</u>
Total subject to time requirements	2,447,319	2,981,202
Subject to purpose requirements:		
Opportunity services	721,647	100,000
Recovery services	200,000	118,120
Success services	232,750	32,377
Miscellaneous	100,000	-
Capital campaign	<u>1,400,250</u>	<u>551,750</u>
Total subject to purpose requirements	2,654,647	802,247
Endowment subject to the YWCA's spending policy and appropriations:		
Investment in perpetuity	<u>510,077</u>	<u>510,077</u>
Total net assets with donor restrictions	<u>\$ 5,612,043</u>	<u>\$ 4,293,526</u>
Net assets without donor restrictions are as follows:		
Undesignated	\$ 3,862,863	\$ 2,797,276
Board designated – operating reserve	<u>2,078,440</u>	<u>2,567,690</u>
	<u>\$ 5,941,303</u>	<u>\$ 5,364,966</u>

Net assets were released from restrictions by incurring expenses satisfying the restricted purposes or by occurrence of the passage of time or other events specified by donors. Net assets released from net assets with donor restrictions are as follows:

Time requirements	\$ 182,807	\$ 168,195
Program services	520,495	787,090
Endowment	<u>23,800</u>	<u>22,200</u>
Net assets released from restrictions	<u>\$ 727,102</u>	<u>\$ 977,485</u>

## 12. CONTRIBUTIONS OF NON-FINANCIAL ASSETS

The YWCA recognizes contributions of revenue for the right to use donated property at the fair value of that property. Revenue recognized for in-kind contributions totaled \$71,189 in 2022 and \$-0- in 2021. Expenses for the use of this property is included in the following:

	2022	2021
Success Services		
Occupancy	\$ 45,700	\$ -
Capital asset	<u>25,489</u>	<u>-</u>
	<u>\$ 71,189</u>	<u>\$ -</u>

The donated property is valued at the average rental rate for like properties. The capital asset is valued at cost. There are no restrictions on the use of the property and all property is used internally.

## 13. ENDOWMENT

The YWCA has currently invested its donor-restricted endowment funds in an investment account with a mixture of equities, fixed income and cash and cash equivalents. The endowments have been established to promote the mission of the agency. Net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

### Interpretation of Relevant Law

The Board of Directors of YWCA Northeast Indiana, Inc. has interpreted the Uniform Prudent Management of Institutional Funds Act (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 YWCA classifies as permanent endowment (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified as a permanent endowment is classified as net assets with donor restrictions until those amounts are

(continued)

**13. ENDOWMENT (continued)**

appropriated for expenditure by the YWCA in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the YWCA considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

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

**Endowment Net Asset Composition by Type of Fund as of December 31:**

	<b>Donor Restricted Endowment</b>	
	<b>2022</b>	<b>2021</b>
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	\$ 510,077	\$ 510,077
Accumulated investment earnings subject to time restrictions	<u>758,367</u>	<u>970,576</u>
	<u>\$ 1,268,444</u>	<u>\$ 1,480,653</u>

**Changes in Endowment Fund Net Assets for the Year Ended December 31, 2022**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Endowment fund net assets - beginning of year	\$ -	\$ 1,480,653	\$ 1,480,653
Contributions	-	-	-
Investment return:			
Investment income	-	38,266	38,266
Net appreciation (depreciation) - realized and unrealized	-	(216,734)	(216,734)

(continued)



**13. ENDOWMENT (continued)**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Fees	\$ -	\$ (9,941)	\$ (9,941)
Total investment return	-	(188,409)	(188,409)
Appropriation of endowment fund assets for expenditure	-	(23,800)	(23,800)
Endowment net assets - end of year	<u>\$ -</u>	<u>\$ 1,268,444</u>	<u>\$ 1,268,444</u>

**Changes in Endowment Fund Net Assets for the Year Ended December 31, 2021**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Endowment fund net assets - beginning of year	\$ -	\$ 1,389,722	\$ 1,389,722
Contributions	-	-	-
Investment return:			
Investment income	-	31,719	31,719
Net appreciation (depreciation) - realized and unrealized	-	92,410	92,410
Fees	-	(10,998)	(10,998)
Total investment return	-	113,131	113,131
Appropriation of endowment fund assets for expenditure	-	(22,200)	(22,200)
Endowment net assets - end of year	<u>\$ -</u>	<u>\$ 1,480,653</u>	<u>\$ 1,480,653</u>

**Return Objectives and Risk Parameters**

The YWCA has adopted investment and spending policies for endowment assets that attempt to preserve the principal in terms of its purchasing power so the fund will be able to serve the YWCA's needs over the long term; produce sufficient income to meet the needs of the YWCA; and provide long-term growth in assets as may be fairly balanced by the need for reasonable income and investment risk. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to achieve satisfactory investment returns while gaining the risk control of diversification.

(continued)

### **13. ENDOWMENT (continued)**

#### **Strategies Employed for Achieving Objectives**

To satisfy its long-term rate-of-return objectives, the YWCA relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The YWCA targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

#### **Spending Policy and How the Investment Objectives Relate to Spending Policy**

The YWCA has a policy of appropriating for distribution up to 5% of the market value of the investment at September 30 of each of the three preceding calendar years, averaged, after deductions of portfolio transaction costs, management fees and adjustments for contributions and withdrawals. In establishing this policy, the YWCA considered the long-term expected return on its endowment.

### **14. ADVERTISING COSTS**

Advertising costs are charged to operations when incurred. The cost of advertising charged to operations was \$343 in 2022 and \$121 in 2021.

### **15. CREDIT RISKS, CONCENTRATIONS AND CONTINGENCIES**

The YWCA receives a significant amount of its public support from the federal government. A significant reduction in the level of this support, if this were to occur, may have an effect on the operations of the YWCA.

The YWCA has investments in stocks, bonds and mutual funds and, therefore, is subject to concentration of credit risk. Investments are made by investment managers engaged by the YWCA. Although the fair value of investments is subject to fluctuation on a year-to-year basis, management believes the investment policy is prudent for the long-term welfare of the YWCA and its beneficiaries.

During 2016, the YWCA entered into an affordable housing program agreement with the Federal Home Loan Bank of Indianapolis (FHLBI) to partially fund the construction and renovation of a building housing the crisis shelter and program and administrative offices. For 15 years, if the building is disposed of or used for a purpose other than what was set forth in the agreement, the funds received, including interest, are required to be returned to FHLBI. On August 26, 2020 the YWCA was informed of approval by the FHLBI that the terms of the agreement could be transferred to the Hefner Center as long as the same conditions are met.

(continued)

**15. CREDIT RISKS, CONCENTRATIONS AND CONTINGENCIES (continued)**

The YWCA maintains cash accounts in local banks. Cash balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per bank. As of December 31, 2022, deposits in excess of the insured amount totaled \$528,505.

**16. RELATED PARTIES**

The YWCA purchased legal and architecture services totaling \$43,698 in 2022 and \$142,113 in 2021 from companies owned by members of its Board of Directors.

**17. RENTAL EXPENSE UNDER OPERATING LEASES**

The YWCA leases office space and equipment under operating leases expiring at various times through 2024. Total rental expense was \$1,854 for the year ended December 31, 2022 and \$127,882 for the year ended December 31, 2021. The YWCA was released from one of the leases four months prior to the expiration of the lease.

Minimum future rental payments under noncancelable operating leases having initial or remaining terms in excess of one year as of December 31, 2022 for each of the next five years and in the aggregate are:

2023	\$	1,643
2024		1,018
2025		-
2026		-
2027 and thereafter		<u>-</u>
	\$	<u>2,661</u>

## 18. STATEMENT OF CASH FLOW SUPPLEMENTAL DISCLOSURES

Noncash investing and financing activity includes:

	2022	2021
Sale of property via note receivable	\$ 1,368,750	\$ -
Closing costs	\$ 112,735	\$ 4,744
Donation of non-financial asset	\$ 25,489	\$ -

Interest charged to operations totaled \$134,224 for 2022 and \$-0- for 2021.

## 19. AVAILABILITY AND LIQUIDITY

The following represents YWCA Northeast Indiana, Inc.'s financial assets at December 31:

Financial assets at year-end:	2022	2021
Cash and cash equivalents	\$ 764,402	\$ 39,132
Claims receivable	777,384	811,160
Contributions receivable	1,359,499	425,792
Contributions receivable – capital campaign	1,380,947	1,824,838
Accounts receivable – other	1,037,373	-
Note receivable	1,368,750	-
Investments	3,346,884	4,013,472
Beneficial interest	<u>91,329</u>	<u>106,591</u>
Total financial assets	10,126,568	7,220,985
Less amounts not available to be used within one year:		
Permanent endowment	510,077	510,077
Unappropriated endowment	758,367	970,576
Contributions receivable greater than one year – operating	347,555	-
Contributions capital campaign	2,781,197	1,824,838
Note receivable payment greater than one year	456,250	-
Board designated net assets	<u>2,078,440</u>	<u>2,567,690</u>
Total assets not to be used in one year	<u>6,931,886</u>	<u>5,873,181</u>
Financial assets available to meet general expenditures within one year	<u>\$ 3,194,682</u>	<u>\$ 1,347,804</u>

(continued)

**19. AVAILABILITY AND LIQUIDITY (continued)**

The YWCA maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities and other obligations come due. To help manage unanticipated liquidity needs, the YWCA has board designated net assets without donor restrictions that, while the YWCA does not intend to spend these for purposes other than those identified, the amounts could be made available for current operations, if necessary.

**20. GOVERNMENT GRANTS – OTHER**

Grants received from other government sources are as follows:

	<b>2022</b>	<b>2021</b>
Indiana Criminal Justice Institute:		
Domestic Violence Prevention and Treatment	\$ 190,234	\$ 181,877
Indiana Coalition Against Domestic Violence:		
ICADV FISCAL project	26,774	9,944
Small Business Administration:		
Payroll Protection Program	<u>-</u>	<u>394,000</u>
Total Government Grants – Other	<u>\$ 217,008</u>	<u>\$ 585,821</u>

**YWCA NORTHEAST INDIANA, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
Year Ended December 31, 2022

Federal Agency/ Pass-Through Agency/ Program Title	Assistance Listing Number	Agency or Pass-Through Number	Sub - Recipients	Revenue Recognized	Expenditures
U.S. Department of Health and Human Services: Passed through the Lutheran Foundation: Community Development Block Grant-State Programs	14.228	A192-21-CV-CV2-310	\$ -	\$ 103,968	\$ 103,968
Passed through City of Fort Wayne, Indiana: Emergency Solutions Grant Program	14.231	ESES-DV-020-0035	-	166,680	166,680
Passed through Indiana Housing and Community Development Authority: Emergency Solutions Grant Program	14.231	ES-021-053	-	28,880	28,880
Emergency Solutions Grant Program-COVID	14.231	CS-CV-021-105D	-	739,028	739,028
		Subtotal 14.231	-	934,588	934,588
Passed through Indiana Coalition Against Domestic Violence: Continuum of Care Program	14.267	DVRR-022-0216-07& DVRR-021-0216-07	-	101,173	101,173
U.S. Department of Justice: Passed through Indiana Criminal Justice Institute: Crime Victims Assistance	16.575	VOCA-2020-0051& VOCA-2022-00093& VOCA-SP-2021-00018	-	638,257	638,257
Sexual Assault Services Formula Grant	16.017	SASP-2022-00011	-	50,655	50,655
Violence Against Women Formula Grants	16.588	STOP-2021-00013& STOP-2022-00008	-	42,847	42,847
(continued)					

See independent auditors' report.

**YWCA NORTHEAST INDIANA, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
Year Ended December 31, 2022

<b>Federal Agency/ Pass-Through Agency/ Program Title</b>	<b>Assistance Listing Number</b>	<b>Agency or Pass-Through Number</b>	<b>Sub - Recipients</b>	<b>Revenue Recognized</b>	<b>Expenditures</b>
(continued)					
U.S. Department of Treasury: Passed through the Lutheran Foundation: Coronavirus State and Local Fiscal Recovery Funds	21.027	68161	\$ -	\$ 88,550	\$ 88,550
U.S. Department of Housing and Urban Development: Passed through Indiana Housing and Community Development Authority: Community Services Block Grant	93.569	CS-022-105D	-	82,594	82,594
Passed through Indiana Criminal Justice Institute: Social Services Block Grant	93.667	SSBG-2022-00019	-	32,148	32,148
Family Violence Prevention and Services	93.497	FVPSA SA2-2022-00009& FVPSA-00016	-	42,683	42,683
Family Violence Prevention and Services	93.671	FVPSA-2022-00028& FVPSA-2021-0012	-	126,854	126,854
Family Violence Prevention and Services-COVID	93.671	FVPSA-ARP-2022-00033& FVPSA-ARP-2021-00007	-	54,878	54,878
		Subtotal 93.671	-	181,732	181,732
			\$ -	\$ 2,299,195	\$ 2,299,195

See independent auditors' report.

**YWCA NORTHEAST INDIANA, INC.**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
December 31, 2022

**1. BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards includes the federal award activity of YWCA Northeast Indiana, Inc. under programs of the federal government for the year ended December 31, 2022. The information in this schedule is presented in accordance with the 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). Because the Schedule presents only a selected portion of the Organization, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Organization.

**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 principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**3. INDIRECT COST RATE**

The YWCA has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.





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**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**

Board of Directors  
YWCA Northeast Indiana, Inc.  
Fort Wayne, Indiana

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 YWCA Northeast Indiana, Inc. (a nonprofit organization) which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon dated July 26, 2023.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered YWCA Northeast Indiana, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purposes of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of YWCA Northeast Indiana, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of YWCA Northeast Indiana, Inc.'s internal control.

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

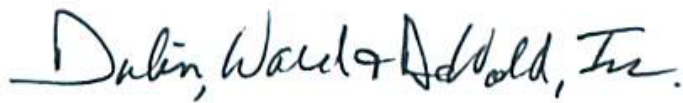
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether YWCA Northeast Indiana, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of 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 result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Dublin, Ward & Adbold, Inc." The signature is written in a cursive, flowing style.

Fort Wayne, Indiana  
July 26, 2023



**Dulin, Ward & DeWald, Inc.**  
CPAs & ADVISORS

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

Board of Directors  
YWCA Northeast Indiana, Inc.  
Fort Wayne, Indiana

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

**Opinion on each Major Federal Program**

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

In our opinion, YWCA Northeast Indiana, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2022.

**Basis for Opinion on Each Major Federal Program**

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the auditor's responsibilities for the audit of compliance section of our report.

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

## **Responsibilities of Management for Compliance**

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

## **Auditors' Responsibilities for the Audit of Compliance**

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding YWCA Northeast Indiana, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of YWCA Northeast Indiana, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of YWCA Northeast Indiana, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

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

## **Other Matters**

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2022-001. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on YWCA Northeast Indiana, Inc.'s response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. YWCA Northeast Indiana, Inc.'s response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

## **Report on Internal Control over Compliance**

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be a material weaknesses.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2022-001 to be a material weakness.

*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. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be significant deficiencies, however, significant deficiencies in internal control over compliance may exist that were not identified.

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

Government Auditing Standards requires the auditor to perform limited procedures on YWCA Northeast Indiana, Inc.'s response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. YWCA Northeast Indiana, Inc.'s response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

A handwritten signature in black ink that reads "Dublin, Ward & Addold, Inc." The signature is written in a cursive, flowing style.

Fort Wayne, Indiana  
July 26, 2023

**YWCA NORTHEAST INDIANA, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
December 31, 2022

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

**Financial Statements**

Type of auditors' report issued: Unmodified

Internal Control over financial reporting:

Material weakness(es) identified? ☐ Yes ☒ No

Significant deficiency(ies) identified that  
are not considered to be material  
weakness(es)? ☐ Yes ☒ None  
Reported

Noncompliance material to financial statements  
noted? ☐ Yes ☒ No

**Federal Awards**

Internal control over major programs:

Material weakness(es) identified? ☒ Yes ☐ No

Significant deficiency(ies) identified that  
are not considered to be material  
weakness(es)? ☐ Yes ☒ None  
Reported

Type of report issued on compliance for major programs: Unmodified

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

(continued)



**YWCA NORTHEAST INDIANA, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
December 31, 2022

(continued)

**Identification of Major Programs:**

<b>Assistance Listing Number</b>	<b>Name of Federal Program or Cluster</b>
14.231	Emergency Solutions Grant

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

Auditee qualified as low-risk? ☐ Yes ☒ No

**Section II - Financial Statement Findings**

No material weaknesses or instances of noncompliance noted.

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

<b>2022-001</b> Federal Grantor:	All Programs
Pass-through Grantor:	All Programs
Federal Assistance Listing Number:	All Programs
Program Title:	All Programs

**Criteria:** Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Audits* (Uniform Guidance) requires auditees to prepare an accurate Schedule of Expenditures of Federal Awards (SEFA) containing awards expended, assistance listing title and number, award number, name of the Federal Agency, name of the pass-through entity, and awards paid to subrecipients.

**Condition:** During our audit we noted the SEFA contained errors. The Organization's current internal control over the SEFA reporting is not sufficient enough to ensure correct reporting.

(continued)



**YWCA NORTHEAST INDIANA, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
December 31, 2022

(continued)

<b>Assistance Listing Number</b>	<b>As Reported On Original SEFA</b>	<b>As Corrected</b>	<b>\$ Difference</b>
14.228	\$ 103,968	\$ 103,968	\$ -
14.231	1,139,267	934,588	(204,679)
14.267	130,169	101,173	(28,996)
16.017	49,790	50,655	865
16.575	542,247	638,257	96,010
16.588	42,677	42,847	170
21.027	82,619	88,550	5,931
93.497	9,282	42,683	33,401
93.569	82,342	82,594	252
93.667	32,148	32,148	-
93.671	<u>145,691</u>	<u>181,732</u>	<u>36,041</u>
	<u>\$ 2,360,200</u>	<u>\$ 2,299,195</u>	<u>\$ (61,005)</u>

**Cause:** Management failed to follow reporting requirements related to the SEFA.

**Effect:** Federal expenditures reported in the SEFA were incorrect.

**Questioned costs:** None

**Recommendation:** We recommend management develop internal controls over reporting and consult with external consultants, if necessary, to ensure an accurate SEFA is prepared.

**Management's Response:** See corrective action plan on page 41.

**YWCA NORTHEAST INDIANA, INC.**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
Year Ended December 31, 2022

No prior year findings.

# YWCA IS ON A MISSION

## **Corrective Action For the year ended December 31, 2022**

2022-001 – Schedule of Expenditures of Federal Awards

Management acknowledges the recommendation and will develop internal controls over reporting and consult with external consultants if necessary to ensure an accurate SEFA is prepared. It is anticipated that the implementation of the controls will be completed by year end, December 31, 2023 and will be put in place at that time.

Greg Johnson, CFO YWCA Northeast IN

