

WOMEN HELPING WOMEN
FINANCIAL AUDIT and SINGLE AUDIT
DECEMBER 31, 2019 and 2018



*Independent Auditor's Report
and Financial Statements*

WOMEN HELPING WOMEN
FINANCIAL AUDIT and SINGLE AUDIT

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor’s Report on Financial Statements	1 – 2
Financial Statements:	
Statements of Financial Position	3
Statements of Activities	4
Statements of Functional Expenses	5
Statements of Cash Flows	6
Notes to Financial Statements	7 – 14
Other Reports and Accompanying Information:	
Schedule of Expenditures of Federal Awards	15
Schedule of Findings and Questioned Costs	16 – 17
Report on Compliance and Internal Control over Financial Reporting as required by <i>Generally Accepted Government Auditing Standards (“GAGAS”)</i>	18 – 19
Report on Compliance and Internal Control pertaining to the Major Federal Program(s) as required by <i>United States Uniform Guidance</i>	20 – 21



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Independent Auditor's Report on Financial Statements

Board of Trustees
Women Helping Women
Cincinnati, Ohio

We have audited the accompanying financial statements of Women Helping Women ("the Agency"), which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to these financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Women Helping Women as of December 31, 2019 and 2018, and the results of its operations and its cash flows for the years then ended in conformity with United States generally accepted accounting principles ("U.S. GAAP").

Other Reports

In accordance with GAGAS, we have also issued our report dated May 11, 2020, on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and the results of that testing, and not to provide an opinion on the internal control over financial reporting. In accordance with GAGAS and *Uniform Guidance*, we have also issued an opinion report dated May 11, 2020 on the Agency's compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters that could have a direct and material effect on a major Federal program. Those reports are an integral part of an audit performed in accordance with GAGAS and *Uniform Guidance* and should be considered in assessing the results of our financial statement audit.

Other-Matter – Schedule of Expenditures of Federal Awards

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying information contained on page 15 (Schedule of Expenditures of Federal Awards) is presented for purposes of additional analysis as required by *Title 2 U.S. Code of Federal Regulations Part 200 – Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (“*Uniform Guidance*”) 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 U.S. GAAS. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in black ink, appearing to read "A. CPA Swain".

May 11, 2020

WOMEN HELPING WOMEN
STATEMENTS OF FINANCIAL POSITION
December 31, 2019 and 2018

	2019	2018
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 663,438	\$ 642,182
Grants and accounts receivable	241,042	293,770
Prepaid expenses	27,248	29,399
Total current assets	931,728	965,351
Long-term assets:		
Investments	143,326	116,336
Property and equipment - net	19,830	10,393
Total long-term assets	163,156	126,729
Total Assets	\$ 1,094,884	\$ 1,092,080
 LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	\$ 18,195	\$ 23,768
Credit cards payable	3,591	5,712
Accrued expenses and other liabilities	71,867	68,167
Deferred government revenues	6,310	2,618
Total Liabilities	99,963	100,265
Net Assets:		
Without donor restrictions	817,924	826,015
With donor restrictions	176,997	165,800
Total Net Assets	994,921	991,815
Total Liabilities and Net Assets	\$ 1,094,884	\$ 1,092,080

The accompanying notes are an integral part of these financial statements

WOMEN HELPING WOMEN
STATEMENTS OF ACTIVITIES

Years Ended December 31, 2019 and 2018

	2019			2018		
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total
Public support and revenues:						
Private grants and allocations	\$ 58,471	\$ 196,950	\$ 255,421	\$ 147,616	\$ 167,800	\$ 315,416
Government grants	1,434,253	-	1,434,253	1,260,658	-	1,260,658
Contributions	254,475	-	254,475	283,124	-	283,124
Program services fees	218,025	-	218,025	163,092	-	163,092
Special events, net	66,130	-	66,130	79,014	-	79,014
Investment earnings (losses), net	38,347	-	38,347	(5,238)	-	(5,238)
In-kind contributions	98,895	-	98,895	127,945	-	127,945
Other income	5,218	-	5,218	4,897	-	4,897
Release of restricted contributions:						
Passage of time	80,800	(80,800)	-	101,000	(101,000)	-
Satisfaction of program purpose	104,953	(104,953)	-	57,575	(57,575)	-
Total revenues	2,359,567	11,197	2,370,764	2,219,683	9,225	2,228,908
Expenses:						
Program services	1,959,198	-	1,959,198	1,678,555	-	1,678,555
Fundraising	163,916	-	163,916	134,618	-	134,618
Management and general	244,544	-	244,544	220,625	-	220,625
Total expenses	2,367,658	-	2,367,658	2,033,798	-	2,033,798
Increase (decrease) in net assets	(8,091)	11,197	3,106	185,885	9,225	195,110
Net assets:						
Beginning of year	826,015	165,800	991,815	640,130	156,575	796,705
End of year	\$ 817,924	\$ 176,997	\$ 994,921	\$ 826,015	\$ 165,800	\$ 991,815

The accompanying notes are an integral part of these financial statements

WOMEN HELPING WOMEN
STATEMENTS OF FUNCTIONAL EXPENSES
Years Ended December 31, 2019 and 2018

	2019				2018			
	Program	Fund Raising	Management & General	Total Expenses	Program	Fund Raising	Management & General	Total Expenses
Salaries and wages	\$ 1,321,294	\$ 76,642	\$ 133,395	\$ 1,531,331	\$ 1,050,640	\$ 18,353	\$ 124,902	\$ 1,193,895
Employee benefits	110,431	7,197	19,605	137,233	85,191	3,456	7,291	95,938
Payroll taxes	101,065	6,367	15,571	123,003	87,203	1,523	10,367	99,093
Total salaries and related	1,532,790	90,206	168,571	1,791,567	1,223,034	23,332	142,560	1,388,926
Consulting and professional	70,220	36,334	17,977	124,531	68,879	57,791	13,583	140,253
Rent and utilities	84,127	3,403	5,748	93,278	81,282	3,341	5,342	89,965
Client assistance	57,713	-	-	57,713	31,584	-	-	31,584
Telephone and internet	43,173	1,566	5,770	50,509	40,508	905	1,717	43,130
Travel, meals and entertainment	34,247	-	207	34,454	36,648	39	1,618	38,305
Conferences, meetings, education	18,366	-	-	18,366	28,807	-	783	29,590
Dues and subscriptions	3,849	7,240	3,529	14,618	2,110	4,847	4,039	10,996
Printing and publications	8,428	4,316	1,003	13,747	43,095	4,005	1,356	48,456
Depreciation	-	-	9,329	9,329	-	-	10,018	10,018
Insurance	-	-	8,692	8,692	-	-	7,445	7,445
Office supplies	7,260	277	587	8,124	6,035	197	3,288	9,520
Equipment expense and repairs	3,623	119	202	3,944	11,100	6,796	538	18,434
Postage and shipping	1,274	53	89	1,416	1,291	57	115	1,463
Advertising and development	-	530	-	530	-	8,206	-	8,206
In-kind direct services	66,755	16,070	16,070	98,895	86,441	20,752	20,752	127,945
Miscellaneous	27,373	3,802	6,770	37,945	17,741	4,350	7,471	29,562
Total expenses	\$ 1,959,198	\$ 163,916	\$ 244,544	\$ 2,367,658	\$ 1,678,555	\$ 134,618	\$ 220,625	\$ 2,033,798
Percent of total expenses	82.7%	6.9%	10.3%	100.0%	82.5%	6.6%	10.8%	100.0%

The accompanying notes are an integral part of these financial statements

WOMEN HELPING WOMEN
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2019 and 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 3,106	\$ 195,110
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	9,329	10,018
Donated stock investments	(1,549)	-
Realized (gains) losses on investments, net	(7,135)	(3,978)
Unrealized (gains) losses on investments, net	(20,470)	15,475
(Increase) decrease in:		
Grants and accounts receivable	52,728	35,044
Prepaid expenses	2,151	(15,272)
Increase (decrease) in:		
Accounts payable	(5,573)	3,189
Credit cards payable	(2,121)	699
Accrued expenses	3,700	(8,750)
Deferred revenue	3,692	(6,248)
	37,858	225,287
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of investments	14,519	18,769
Purchases of investments	(12,355)	(9,641)
Purchases of property and equipment	(18,766)	-
	(16,602)	9,128
Net increase in cash	21,256	234,415
Cash and cash equivalents:		
Beginning of year	642,182	407,767
	\$ 663,438	\$ 642,182
End of year	\$ 663,438	\$ 642,182
Non-cash operating and investing activities:		
Investments acquired via in-kind donation	\$ (1,549)	\$ -

The accompanying notes are an integral part of these financial statements

WOMEN HELPING WOMEN

NOTES TO FINANCIAL STATEMENTS

(1) Summary of Significant Accounting Policies

This summary of significant accounting policies is presented to assist the reader in understanding the financial statements and notes of Women Helping Women (“the Agency”). The financial statements and notes are representations of the Agency’s management which is responsible for the integrity and objectivity of the financial statements. The accounting policies described in the notes conform to United States Generally Accepted Accounting Principles (“U.S. GAAP”) and have been consistently applied in the preparation of the accompanying financial statements.

Nature of Operations

Women Helping Women is an Ohio nonprofit corporation with two offices – one in Cincinnati and the other in Butler County. Serving Southwestern Ohio, the Agency’s mission is to empower survivors of sexual assault, domestic violence and stalking by providing advocacy, support and options for safety as well as being an educator for the community to create social change.

Income Taxes

The Agency is considered a tax exempt entity under Section 501(c)(3) of the Internal Revenue Code. As such, it is exempt from federal, state and local income taxes. The Agency is not a private foundation.

Financial Statement Presentation

Overall Basis of Financial Reporting –

The financial statements have been prepared using the accrual basis of accounting pursuant to United States Generally Accepted Accounting Principles (“U.S. GAAP”). Accordingly, support and revenue are recognized when earned and expenses are recognized when the obligation is incurred.

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor imposed restrictions. Accordingly, net assets of Women Helping Women and changes therein are classified and reported as follows:

- Net assets – without donor restrictions - Net assets that are not subject to donor-imposed stipulations and may be utilized at the discretion of the Agency. These net assets are available to support general operations. Usage of net assets without donor restrictions could be limited by customary broad limitations resulting from the nature of the Agency, the environment in which it operates, the purposes specified in its bylaws and/or its application for tax-exempt status, and any limitations imposed by contractual agreements with creditors and/or others in the ordinary course of business. Restricted donations whose restrictions are met within the same year as the donation may be reported as without restrictions as permitted under U.S. GAAP.
- Net assets – with donor restrictions – Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Agency satisfying the purpose or by the passage of time. When a donor restriction is satisfied, that is,

when a stipulated time restriction ends or purpose restriction is accomplished, restricted net assets are reclassified to net assets without restrictions and reported in the Statement of Activities as net assets released from restrictions.

Donor restrictions can exist in perpetuity, in which case, the principal must be maintained intact in perpetuity and only the income from the investment thereof be expended either for the general operations of the Agency or for purposes specified by the donor. Net assets with restrictions in perpetuity may include Agency sanctioned “endowments”. Unspent appreciation/depreciation of donor-restricted endowment funds, if any, may also be classified as restricted net assets in certain circumstances.

New Accounting Standards Issued and Adopted –

The Financial Accounting Standards Board (“FASB”) recently issued Accounting Standards Update (“ASU”) 2016-14, *NonProfit Entities (Topic 958): Presentation of Financial Statements of NonProfit Entities*. This ASU is effective for years beginning after December 15, 2017. Early adoption is permitted. The goal of this ASU is to improve the usefulness of information provided to donors, grantors, creditors, and other users of NonProfit financial statements. It eliminates the distinction between resources with permanent restrictions and those with temporary restrictions and requires enhanced disclosures in the notes to financial statements to provide useful information about the nature, amounts, and effects of the various types of donor-imposed restrictions, which often include limits on the purposes for which the resources can be used as well as the time frame for their use. It also requires that NonProfits disclose their plans for meeting short-term liquidity needs and how financial resources are allocated to carry out the NonProfit organization’s activities. WHW adopted ASU 2016-14 retroactively starting on January 1, 2017 – changes were not material.

ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)* – (as well as ASU’s 2016-10 and 2016-12) – amended U.S. GAAP guidance that supersedes and replaces all existing revenue recognition guidance (primarily for exchange transactions, not contributions). The guidance establishes a new revenue recognition model, changes the basis for deciding when revenue is recognized, provides new and more detailed guidance on specific revenue topics, and expands and improves disclosures about revenue. The Agency adopted the new revenue recognition guidance starting on January 1, 2019 – changes were not material.

ASU 2016-18, *Restricted Cash* became effective for the Agency’s year ending December 31, 2019. This ASU provides new accounting requirements concerning the reporting of restricted cash in the Statement of Cash Flows. This ASU had no impact on WHW.

New Accounting Standards Issued and Effective in the Future –

FASB also issued ASU 2016-02, *Leases* which becomes effective for the Agency’s year ending December 31, 2021. This ASU requires operating leases with lease terms exceeding 12 months to be capitalized as a “right-of-use” asset with a related lease liability upon execution of the pertinent lease agreement. The lease asset is to be expensed over time as payments are made throughout the lease term.

WHW is evaluating the impact the new lease standard will have on its financial statements.

Reclassifications

Certain amounts reported in the prior year financial statements have been reclassified to conform to the 2019 presentation.

Subsequent Events

Women Helping Women evaluates events and transactions occurring subsequent to the date of the financial statements (12/31/2019) for matters requiring recognition or disclosure in the financial statements. The accompanying financial statements consider events through May 11, 2020, the date on which the financial statements were available to be issued. See Note 12.

Recognition of Donations of Cash and Other Assets

Gifts of cash and other assets are recorded at their estimated fair value as of the date of contribution. Private grants and contributions are recorded as donations without restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as donations with restrictions. Absent explicit donor stipulations about how long these long-lived assets must be maintained, the Agency reports expirations of donor restrictions when the donated assets are placed in service.

Conditional promises, such as matching grants are recognized as income only when they become unconditional, that is, when all conditions have been substantially met.

Recognition of Donated Services

Donated services are recorded as revenues in the period received only if the services received create or enhance non-financial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased with cash if not provided by donation.

Revenue Recognition – Government Grants and Program Fees

ASU 2016-14 (*Topic 958*) generally applies to the accounting guidance for contributions. ASU 2014-09 (*Topic 606*) applies to almost all other revenue sources including fee for service contracts and certain government grants.

Women Helping Women earns program service fees from the performance of services for various businesses and nonprofit organizations. The Agency also provides services in connection with various government grant agreements. Revenues associated with program services and government grants are recognized as services are provided. Revenues associated with special events are recognized upon the date of the event. There were no significant contract balances or impairment of accounts receivable related to clinic fees as of December 31, 2019.

Functional Expenses

Expenses are charged directly to program services, administrative and/or fund raising based on the nature of the costs as they are incurred. Certain overhead expenses are allocated to these functions based on management estimates and rational methodologies.

Cash and Cash Equivalents

Cash equivalent balances include all highly liquid investments such as checking, commercial paper, and savings accounts with an original maturity of three months or less. Cash balances maintained in banks are insured by the Federal Deposit Insurance Corporation (“FDIC”) – limit is generally up to \$250,000. The Agency has not experienced any losses in its cash accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

Investments

U.S. GAAP requires that investments be reported at fair market value utilizing the accounting rules governing *Fair Value Measurements and Disclosures*. Fair market value is defined as the price that would be received to sell an asset or transfer a liability in an orderly transaction between market participants using “fair value hierarchy.”

Fair value hierarchy:

- Level 1 – observable quoted prices in liquid active markets for the *identical* assets or liabilities
- Level 2 – observable quoted prices in liquid active markets for *similar* assets or liabilities; observable quoted prices in *non-active* markets; other observable market data corroboration
- Level 3 – unobservable data – little or no market activity

The Agency typically immediately sells any donated securities and transfers the sale proceeds into its investment accounts.

Accounts Receivable

The Agency grants credit on open account to various sources, primarily governmental agencies. The Agency has not sustained any significant losses from its accounts receivable and management believes the Agency is not adversely affected by credit risk on its accounts receivable. Accounts receivable are due within one year.

Property and Equipment

Property and equipment are recorded at cost, or if donated at fair market value when received. The Agency’s policy is to capitalize asset purchases that exceed \$1,000. Depreciation on buildings and equipment is provided using the straight-line method over the following estimated useful lives:

	<u>Useful Life (years)</u>
Furniture, fixtures and equipment	5 to 7
Computer hardware and software	5

The cost of maintenance and repairs is charged to expense as incurred. Significant renewals and major improvements extending an asset’s useful life are capitalized. When property is sold or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is recognized as income or expense for the period.

In accordance with ASC 360, *Accounting for the Impairment and Disposal of Long-lived Assets*, the Agency evaluates the recoverability of the carrying amount of property and equipment if certain events or changes occur, such as a significant decrease in market value of the assets or a significant change in operating conditions. An impairment assessment may be performed to assess future recoverability of asset net book values. No impairment losses were necessary in the accompanying financial statements.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires the Agency's management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period and the reported amounts of assets and liabilities at the date of the financial statements. On an ongoing basis, management evaluates the estimates and assumptions based upon historical experience and various other factors and circumstances. Management believes that the estimates and assumptions are reasonable in the circumstances; however, actual results could differ from those estimates.

(2) Investments

Investments are comprised of various equity securities with pricing determined based upon quoted market prices (fair value Level 1 pricing). Investments were as follows as of December 31, 2019 and 2018:

	2019	2018
Investments - at original cost	\$ 107,464	\$ 100,944
Unrealized gain (loss)	35,862	15,392
Investments - fair market value	<u>\$ 143,326</u>	<u>\$ 116,336</u>

Investment earnings were as follows during 2019 and 2018:

	2019	2018
Interest and dividends	\$ 10,742	\$ 6,259
Realized gains (losses), net	7,135	3,978
Change in unrealized gains (losses), net	20,470	(15,475)
Investment earnings (losses), net	<u>\$ 38,347</u>	<u>\$ (5,238)</u>

(3) Property and Equipment

Property and equipment at December 31, 2019 and 2018 consisted of the following:

	2019	2018
Office furniture, fixtures and equipment	\$ 54,129	\$ 54,129
Computer hardware and software	80,166	65,400
Asset-in-progress	4,000	-
Total - at cost	138,295	119,529
Less: accumulated depreciation	(118,465)	(109,136)
Property and equipment, net	<u>\$ 19,830</u>	<u>\$ 10,393</u>

(4) **Net Assets – with Restrictions**

Restricted net assets are as follows as of December 31:

	2019	2018
Restricted for use (spending) in subsequent year:		
United Way allocation pledged by year end	\$ 80,800	\$ 80,800
Restricted for a specific purpose:		
Prevention	25,000	-
Education - prevention and empowerment	-	35,000
Information Technology	15,000	-
Intervention in Butler County	6,197	-
Donor restricted in perpetuity - corpus may not be spent	50,000	50,000
Total	<u>\$ 176,997</u>	<u>\$ 165,800</u>

(5) **Special Events**

Special event revenues and their associated expenses were as follows for each year:

	2019	2018
Revenues earned from special events	\$ 127,544	\$ 135,058
Costs and expenses	61,414	56,044
Net revenues earned	<u>\$ 66,130</u>	<u>\$ 79,014</u>

(6) **Operating Lease Agreements**

The Agency leases office space in Cincinnati under an agreement having a 5-year term ending December 31, 2022. The lease provided for a tenant allowance of up to \$30,000 for office improvements to be paid by landlord over the duration of the agreement. The initial rent for the new lease is \$5,825 monthly subject to annual increases of 2.5%.

The Agency also leases office space in Butler County under a lease for a 62-month term starting July 1, 2017 (first two months rent-free). The initial rent for the new lease is \$810 per month subject to annual increases as set forth in the agreement. The new agreement contains an option to renew for an additional two years following the expiration of the 62-month term.

The Agency has a new lease expiring September 30, 2020 for office space in Adams County. The agreement provides for rent of \$300 monthly (plus applicable real estate taxes and utilities) and is automatically renewable unless either party terminates with 30 days' notice prior to renewal.

Lastly, the Agency has a lease for copier equipment that started in September 2017. The agreement has a 5-year term with a minimum lease payment of \$172 monthly.

Total lease expense under all operating leases was approximately \$85,000 and \$82,000 during 2019 and 2018, respectively.

Future minimum lease payments under all operating leases having an initial non-cancelable term in excess of one year are as follows:

2020	\$	88,674
2021		88,604
2022		86,362

(7) Retirement Plan

The Agency maintains a tax-deferred retirement plan as per the Internal Revenue Code section 403(b). The 403(b) Plan covers substantially all full-time employees and provides for both employer and employee contributions. The custodian of the retirement assets is American Funds. The Agency makes matching contributions of 50% of the first 6% of salary contributed by employees. Total Agency contributions (expenses) were \$21,958 and \$8,981 during 2019 and 2018, respectively.

(8) Grantor Concentrations

The Agency received 41% and 36% of its total revenues from the Federal VOCA grant during the years ending December 31, 2019 and 2018, respectively. Additionally, the Agency received 10% and 13% of its total revenues from the City of Cincinnati during 2019 and 2018, respectively. Management believes neither of these concentrations will adversely affect the Agency as management consistently looks for ways to diversify the Agency's funding.

(9) In-Kind Contributions

The Agency has volunteers who donate significant amounts of time to the Agency's programs and operations. The in-kind donated hours representing direct service programming hours meet the criteria under U.S. GAAP for recording in the accompanying Statements of Activities. The value, if any, for administrative and fund raising hours have been excluded from the accompanying financial statements.

	2019	2018
Total direct service hours	14,451	14,232
Recorded direct service in-kind contribution	\$ 94,918	\$ 86,441
Recorded - other in-kind	3,977	41,504
Total recorded in-kind dollars	<u>\$ 98,895</u>	<u>\$ 127,945</u>
Total administrative and other hours	1,091	475

(10) Uncertain Tax Positions

ASC 740, *Accounting for Uncertainty in Income Taxes*, clarifies the accounting and reporting under U.S. GAAP related to uncertain tax positions. In general terms, all entities are required to evaluate uncertain tax positions, if any, related to income taxes and provide certain disclosures.

The Agency has no uncertain tax positions and incurred no tax interest or tax penalties during 2019 and 2018. As of December 31, 2019, the tax return years that remain open to examination by the government are the years 2016 through 2019.

(11) **Liquidity and Availability of Financial Assets**

The following reflects the Agency’s financial assets as of each year end, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within 12 months of each year end date.

	2019	2018
Financial assets as of year end	\$ 806,764	\$ 758,518
Less funds unavailable for general operations within one year:		
Donor restricted for specific purposes	(46,197)	(35,000)
Donor restricted in perpetuity	(50,000)	(50,000)
Financial assets available to meet cash needs for general operations within one year	<u>\$ 710,567</u>	<u>\$ 673,518</u>

As part of the Agency’s liquidity management, it invests excess cash in money market accounts and liquid publicly-traded investment securities.

(12) **COVID-19**

Subsequent to December 31, 2019, a new coronavirus known as “COVID-19” began to spread rapidly leading the World Health Organization to declare the virus a “global pandemic”. COVID-19 caused significant disruption in the United States to the normal operations for businesses, nonprofit organizations and the U.S. economy as a whole. During March and April of 2020, the Ohio Governor issued various orders to help contain the spread of COVID-19. This caused Women Helping Women to shift operations to work from home to do its part to help “flatten the curve”. The Agency anticipates that certain government grants could be reduced in the future and revenues from special events are likely to be lower than normal. Estimates of the financial effects of COVID-19 on the Agency cannot be determined at this time.

As a result of concerns about COVID-19, the U.S. stock markets and bond markets began to encounter higher than normal levels of volatility starting in February 2020. Stock market values, in particular, declined significantly. The Agency plans to continue monitoring its investments and believes it has sufficient reserve funds and an adequate donation stream to continue operating over the near term without selling investments at significant losses.

The U.S. Congress passed several recent pieces of legislation to provide assistance to businesses, nonprofit organizations and individuals. In that connection, on April 19, 2020, the Agency obtained a Paycheck Protection Loan (“PPP”) for \$348,800 through the U.S. Small Business Administration (“SBA”). The loan bears interest at a fixed rate of 1% and must be repaid in monthly installments starting in November 2020. Some or all of the loan amount may be forgiven by the SBA related to certain Agency expenses incurred during the first eight weeks after the loan date. Conditions and qualifications for forgiveness will be determined by the SBA pursuant to the PPP legislation.

WOMEN HELPING WOMEN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2019

Federal Awards/Pass Through Grantor/Program Name	CFDA #	Expenditures
U.S. Department of Justice		
Pass through City of Cincinnati STOP Violence Against Women Formula Grant	16.588	\$ 58,873
Pass through Ohio Department of Public Safety STOP Violence Against Women - Culturally Specific	16.588	40,587
U.S. Department of Justice		
Pass through City of Cincinnati Sexual Assault Advocacy Program	16.738	70,868
U.S. Department of Health and Human Services		
Pass through Ohio Department of Public Safety Family Violence Prevention and Services Act	93.671	63,848
U.S. Department of Justice		
Pass through Ohio Attorney General's Office Victims of Crime Act (VOCA) - Crisis Intervention	16.575	924,665
Pass through Lighthouse Youth Services Victims of Crime Act (VOCA) - Crisis Intervention	16.575	40,022
U.S. Department of Health and Human Services		
Pass through Ohio Department of Health Sexual Violence Prevention and Education Grant	93.136	78,204
U.S. Department of Justice		
Pass through Miami University OVW Reducing Campus SIV	16.525	17,157
U.S. Department of Justice		
Pass through Young Women's Christian Association Rural Domestic Violence, Dating Violence, Sexual Assault	16.589	39,418
Total		\$ 1,333,642

Notes to the Schedule of Expenditures of Federal Awards

The above schedule of expenditures of Federal awards includes the Federal grant activity of Women Helping Women and is presented on the accrual basis of accounting. 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")*. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the financial statements.

The Agency elected to not use the 10% de minimis indirect cost rate during the year.

WOMEN HELPING WOMEN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2019

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: *Unmodified*

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes X No
- Control deficiency(ies) or Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ Yes X No
- Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal control over major Federal programs:

- Material weakness(es) identified? _____ Yes X No
- Control deficiency(ies) or Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ Yes X No

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

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

Identification of major Federal program(s):

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
16.575	Victims of Crime Act (VOCA)

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

Organization qualifies as low-risk auditee? _____ Yes X No

Section II - Financial Statement Findings

Current year

No findings

Prior year

No findings

Section III - Federal Award Findings and Questioned Costs

Current year

No findings

Prior year

No findings



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

Year Ended December 31, 2019

Board of Trustees
Women Helping Women
Cincinnati, OH

We have audited the financial statements of Women Helping Women ("the Agency") as of and for the year ended December 31, 2019 and have issued our report thereon dated May 11, 2020. The financial statements comprise the statement of financial position as of December 31, 2019, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements. We conducted our audit in accordance with *United States Generally Accepted Auditing Standards* ("U.S. GAAS") and the standards applicable to financial audits contained in *Generally Accepted Government Auditing Standards* ("GAGAS"), issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Agency's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control over financial reporting.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *GAGAS*.

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 Agency's internal control or on compliance. This report is an integral part of an audit performed in accordance with *GAGAS* in considering the internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script, appearing to read "Howard CPA Switzer".

May 11, 2020



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**INDEPENDENT AUDITOR'S REPORT
ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH
MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH UNIFORM GUIDANCE**

Year Ended December 31, 2019

Board of Trustees
Women Helping Women
Cincinnati, OH

Report on Compliance for Each Major Program

We have audited the compliance of Women Helping Women ("the Agency") with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the Agency's major Federal program(s) for the year ending December 31, 2019. The Agency's major Federal program for 2019 is identified in the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with laws, regulations, contracts, and the terms and conditions of its Federal awards applicable to its Federal programs.

Auditor's Responsibility

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

We believe that our audit provides a reasonable basis for our opinion on compliance on each major Federal program. However, our audit does not provide a legal determination on the Agency's compliance.

Opinion on Each Major Federal Program

In our opinion, Women Helping Women complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs for the year ended December 31, 2019.

Report on Internal Control over Compliance

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

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

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

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



May 11, 2020