

**WAYPOINT SERVICES FOR
WOMEN, CHILDREN AND FAMILIES
Cedar Rapids, Iowa**

Financial Statements

June 30, 2021 and 2020

WAYPOINT SERVICES FOR WOMEN, CHILDREN AND FAMILIES
Cedar Rapids, Iowa

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Independent Auditors' Report

To the Board of Directors of
Waypoint Services for Women, Children and Families
Cedar Rapids, Iowa

We have audited the accompanying financial statements of Waypoint Services for Women, Children and Families, which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the 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 accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial statement audits contained in *Government Auditing Standards*, 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 from 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 auditors' 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 entity'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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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Burlington	Cedar Rapids	Centerville	Fairfield	Mt. Pleasant	Oskaloosa	Pella	West Des Moines
319.753.9877	319.393.2374	641.437.4296	641.472.6171	319.385.9718	641.672.2523	641.628.9411	515.657.5800

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Waypoint Services for Women, Children and Families, as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Our audits were conducted for the purpose of forming an opinion on the financial statements of Waypoint Services for Women, Children and Families as a whole. The accompanying schedules of operating grant revenue and expenditures of federal awards are presented for purposes of additional analysis and are not a required part of the financial statements. The schedule of expenditures of federal awards is presented as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. 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 audits 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 March 29, 2022, on our consideration of Waypoint Services for Women, Children and Families' 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 compliance and the results of that testing, and not to provide an opinion on 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 Waypoint Services for Women, Children and Families' internal control over financial reporting and compliance.

TDT CPAs and Advisors, P.C.

Cedar Rapids, Iowa
March 29, 2022

WAYPOINT SERVICES FOR WOMEN, CHILDREN AND FAMILIES
Statements of Financial Position
June 30, 2021 and 2020

Assets		
	2021	2020
Current assets:		
Cash and cash equivalents	\$ 552,232	1,381,133
Short-term investments	663	415,552
Accounts receivable	100,316	29,599
Unconditional promises to give:		
Grants receivable	320,325	211,759
Contributions receivable, short-term:		
United Way allocations	324,000	405,000
Capital Campaign	959,012	869,465
Other	54,680	19,418
Prepaid expenses and other current assets	57,419	21,510
Total current assets	2,368,647	3,353,436
Investments and other assets:		
Investments, long-term	3,319,844	2,601,873
Cash value of life insurance	87,412	84,310
Long-term contributions receivable	284,572	1,141,365
Beneficial interest in assets held by a community foundation	24,941	19,481
Total investments and other assets	3,716,769	3,847,029
Property and equipment:		
Land	324,144	324,144
Construction in progress	-	1,095,905
Buildings	2,452,346	2,452,346
Building improvements	9,234,923	5,621,871
Furniture and equipment	1,064,280	599,719
	13,075,693	10,093,985
Less accumulated depreciation	4,972,056	4,671,896
Net property and equipment	8,103,637	5,422,089
	\$ 14,189,053	12,622,554

See accompanying notes to financial statements.

WAYPOINT SERVICES FOR WOMEN, CHILDREN AND FAMILIES
Statements of Financial Position
June 30, 2021 and 2020

Liabilities and Net Assets		
	2021	2020
Current liabilities:		
Accounts payable	\$ 160,256	535,005
Accrued expenses	365,169	292,577
Refundable advance (PPP loan)	-	747,400
Deferred revenue	10,455	21,651
Lines of credit	1,014,809	-
Total liabilities	1,550,689	1,596,633
 Net assets:		
Without donor restrictions	9,637,024	5,878,552
With donor restrictions	3,001,340	5,147,369
Total net assets	12,638,364	11,025,921
	\$ 14,189,053	12,622,554

See accompanying notes to financial statements.

WAYPOINT SERVICES FOR WOMEN, CHILDREN AND FAMILIES

Statements of Activities

For the Years Ended June 30, 2021 and 2020

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains and other support from operating activities:						
Direct contributions	\$ 1,101,460	62,550	1,164,010	1,013,919	2,775,290	3,789,209
Indirect contributions:						
Allocation from United Way of East Central Iowa	55,945	324,000	379,945	-	405,000	405,000
Grants and reimbursements	2,844,971	34,000	2,878,971	1,363,063	-	1,363,063
Endowment income recognized under spending policy	-	54,187	54,187	-	82,422	82,422
Program service fees	1,786,928	-	1,786,928	2,366,201	-	2,366,201
Special event revenue, net of cost of direct benefits to donors of \$12,778 in 2021 and \$30,093 in 2020	23,775	-	23,775	1,639	-	1,639
Miscellaneous	1,251	-	1,251	4,601	-	4,601
Net assets released from restrictions:						
Satisfaction of purpose restrictions	2,800,785	(2,800,785)	-	192,014	(192,014)	-
Expiration of time restrictions	427,867	(427,867)	-	630,733	(630,733)	-
Total operating support and revenue	9,042,982	(2,753,915)	6,289,067	5,572,170	2,439,965	8,012,135
Operating expenses:						
Program services:						
Child care	2,504,198	-	2,504,198	2,717,475	-	2,717,475
Critical services	3,004,466	-	3,004,466	1,873,028	-	1,873,028
Total program services	5,508,664	-	5,508,664	4,590,503	-	4,590,503
Supporting activities:						
Management and general	1,112,013	-	1,112,013	940,941	-	940,941
Fundraising	296,672	-	296,672	351,614	-	351,614
Total supporting activities	1,408,685	-	1,408,685	1,292,555	-	1,292,555
Total operating expenses	6,917,349	-	6,917,349	5,883,058	-	5,883,058
Change in net assets from operating activities	2,125,633	(2,753,915)	(628,282)	(310,888)	2,439,965	2,129,077
Non-operating activities:						
Investment income, net of fees of \$11,377 in 2021 and \$9,846 in 2020	1,050	29,017	30,067	2,707	34,612	37,319
Net unrealized and realized gains (losses) on investments	109,815	633,056	742,871	10,337	53,633	63,970
PPP loan forgiveness	1,505,575	-	1,505,575	-	-	-
Casualty gain	16,399	-	16,399	475,479	-	475,479
Less: Endowment income recognized under spending policy	-	(54,187)	(54,187)	-	(82,422)	(82,422)
Net investment income	1,632,839	607,886	2,240,725	488,523	5,823	494,346
Change in net assets from non-operating activities	1,632,839	607,886	2,240,725	488,523	5,823	494,346
Change in net assets	\$ 3,758,472	(2,146,029)	1,612,443	177,635	2,445,788	2,623,423

WAYPOINT SERVICES FOR WOMEN, CHILDREN AND FAMILIES
Statements of Changes in Net Assets
For the Years Ended June 30, 2021 and 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Balance, June 30, 2019	\$ 5,700,917	2,701,581	8,402,498
Change in net assets, restated (Note 15)	<u>177,635</u>	<u>2,445,788</u>	<u>2,623,423</u>
Balance, June 30, 2020	5,878,552	5,147,369	11,025,921
Change in net assets	<u>3,758,472</u>	<u>(2,146,029)</u>	<u>1,612,443</u>
Balance, June 30, 2021	\$ <u><u>9,637,024</u></u>	<u><u>3,001,340</u></u>	<u><u>12,638,364</u></u>

See accompanying notes to financial statements.

WAYPOINT SERVICES FOR WOMEN, CHILDREN AND FAMILIES
Statement of Functional Expenses
For the Year Ended June 30, 2021

	Program Services		Supporting Activities		Total Expenses
	Child Care	Critical Services	Management and General	Fundraising	
Salaries and related expenses	\$ 1,860,989	1,528,648	655,596	203,550	4,248,783
Professional fees	-	-	157,170	-	157,170
Information technology	33,953	42,980	35,544	22,632	135,109
Consulting contract fees	36,817	7,741	8,390	13,651	66,599
Food and supplies	242,199	108,895	12,927	4,127	368,148
Telephone	13,870	15,040	45,445	1,775	76,130
Postage and shipping	33	296	1,169	3,751	5,249
Occupancy	78,451	36,053	31,348	1,126	146,978
Insurance	21,968	11,186	19,869	451	53,474
Printing	70	3,422	662	5,573	9,727
Transportation	5,927	11,456	6,858	197	24,438
Repairs and maintenance	2,998	7,080	13,565	-	23,643
Rental expenses	63,693	14,609	2,732	-	81,034
Program fees	7,576	-	-	-	7,576
Conferences, conventions and meetings	719	168	1,411	-	2,298
Publicity and publications	3,105	4,318	1,009	5,185	13,617
Membership dues	288	4,218	1,512	475	6,493
Licensing fees	5,390	1,763	1,045	58	8,256
Client housing assistance	-	308,628	-	-	308,628
Client housing assistance - ESG	-	786,026	-	-	786,026
Interest	-	-	26,334	-	26,334
Miscellaneous	6,971	365	50,153	3,990	61,479
Total expenses before depreciation	2,385,017	2,892,892	1,072,739	266,541	6,617,189
Depreciation	119,181	111,574	39,274	30,131	300,160
Total expenses	\$ 2,504,198	3,004,466	1,112,013	296,672	6,917,349

See accompanying notes to financial statements.

WAYPOINT SERVICES FOR WOMEN, CHILDREN AND FAMILIES
Statement of Functional Expenses
For the Year Ended June 30, 2020

	Program Services			Supporting Activities			Total Expenses
	Child Care	Critical Services	Total	Management and General	Fundraising	Total	
Salaries and related expenses	\$ 2,105,117	1,200,865	3,305,982	631,758	146,896	778,654	4,084,636
Professional fees	66,412	25,952	92,364	53,682	90,265	143,947	236,311
Information technology	31,551	22,332	53,883	25,974	12,843	38,817	92,700
Consulting contract fees	32,568	5,723	38,291	7,792	11,172	18,964	57,255
Food and supplies	153,340	85,349	238,689	14,824	25,564	40,388	279,077
Telephone	12,757	13,272	26,029	13,116	670	13,786	39,815
Postage and shipping	75	150	225	1,934	3,789	5,723	5,948
Occupancy	86,337	33,007	119,344	36,956	951	37,907	157,251
Insurance	19,194	10,115	29,309	19,332	194	19,526	48,835
Printing	870	729	1,599	2,710	5,154	7,864	9,463
Transportation	3,586	17,929	21,515	1,791	194	1,985	23,500
Repairs and maintenance	3,808	5,806	9,614	2,341	-	2,341	11,955
Rental expenses	41,986	12,036	54,022	-	37,351	37,351	91,373
Program fees	28,362	-	28,362	-	-	-	28,362
Conferences, conventions and meetings	627	1,419	2,046	4,385	168	4,553	6,599
Publicity and publications	5,979	4,781	10,760	10,294	6,535	16,829	27,589
Membership dues	-	2,889	2,889	1,137	716	1,853	4,742
Licensing fees	6,310	782	7,092	234	46	280	7,372
Client housing assistance	-	339,293	339,293	-	-	-	339,293
Miscellaneous	18,118	870	18,988	61,955	360	62,315	81,303
Total expenses before depreciation	2,616,997	1,783,299	4,400,296	890,215	342,868	1,233,083	5,633,379
Depreciation	100,478	89,729	190,207	50,726	8,746	59,472	249,679
Total expenses	\$ 2,717,475	1,873,028	4,590,503	940,941	351,614	1,292,555	5,883,058

See accompanying notes to financial statements.

WAYPOINT SERVICES FOR WOMEN, CHILDREN AND FAMILIES
Statements of Cash Flows
For the Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Change in net assets	\$ 1,612,443	2,623,423
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	300,160	249,679
Realized and unrealized gain on investments	(717,971)	(197,588)
PPP forgiveness	(747,400)	-
Change in beneficial interest in assets held by a community foundation	(5,460)	674
Increase in cash value of life insurance	(3,102)	(3,392)
(Increase) decrease in receivables	633,701	(1,802,623)
(Increase) decrease in prepaid expenses and other current assets	(35,909)	32,851
(Increase) decrease in short-term investments	414,889	-
Increase (decrease) in accounts payable	(374,749)	(8,371)
Increase (decrease) in accrued expenses	72,592	(2,970)
Increase (decrease) in deferred revenue	(11,196)	5,908
Net cash provided by operating activities	<u>1,137,998</u>	<u>897,591</u>
Cash flows from investing activities:		
Purchases of property and equipment	<u>(2,981,708)</u>	<u>(687,160)</u>
Net cash used by investing activities	<u>(2,981,708)</u>	<u>(687,160)</u>
Cash flows from financing activities:		
Payments on long-term debt	(1,948,053)	-
Borrowings on long-term debt	2,962,862	-
Proceeds from refundable advance (PPP Loan)	-	747,400
Net cash provided (used) by financing activities	<u>1,014,809</u>	<u>747,400</u>
Net increase in cash and cash equivalents	(828,901)	957,831
Cash and cash equivalents, beginning of year	<u>1,381,133</u>	<u>423,302</u>
Cash and cash equivalents, end of year	\$ <u><u>552,232</u></u>	<u><u>1,381,133</u></u>
Supplemental disclosure of cash flow information		
Cash paid for:		
Interest	\$ <u><u>26,334</u></u>	<u><u>9,629</u></u>

See accompanying notes to financial statements.

WAYPOINT SERVICES FOR WOMEN, CHILDREN AND FAMILIES

Notes to Financial Statements

June 30, 2021 and 2020

Note 1 - Summary of Significant Accounting Policies

Waypoint Services for Women, Children and Families is incorporated in the state of Iowa to strengthen and empower individuals and families in their life's journey by providing advocacy, crisis intervention, supportive services, shelter, quality childcare, and community leadership. The Organization's fiscal year ends on June 30. Significant accounting policies followed by the Organization are presented below.

Use of Estimates in Preparing Financial Statements - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses, gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

New Accounting Pronouncement - In August 2018, FASB issued *ASU 2018-13 - Fair Value Measurement (Topic 820)*. The ASU amended the framework in Topic 820, modifying the disclosure requirements for fair value measurements. Topic 820 ensures that organizations appropriately reflect the fair value of investments held by using available, quantifiable data such as market prices, as well as judgements and estimates. The change became effective for the Organization on July 1, 2020. There was no material impact from adoption. The ASU has been applied retrospectively to all periods presented, with no effect on net assets or previously issued financial statements.

Basis of Presentation - The financial statements of the Organization have been prepared to report regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Organization management and the board of directors.

Net assets with donor restrictions - Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Description of Programs

Child Care - The Organization provides quality, licensed childcare programs for over 400 children age six weeks to 12 years. The Organization serves children of all socio-economic levels and offers financial assistance scholarships to families who could not otherwise afford childcare services. The programs' curriculums help children develop their physical, emotional, social, intellectual, and creative abilities in nurturing learning environments.

The two Waypoint Early Learning Centers and Preschools include KidsPoint Downtown and KidsPoint C Street. Each center provides full-time care for children age six weeks to five years and offers a preschool program. The KidsPoint School Age Kids Program provides before and after school care for children in kindergarten through fifth grade at eleven different sites. The KidsPoint Summer Adventure Day Camp provides full-time care during the summer for children who have completed kindergarten through fifth grade.

WAYPOINT SERVICES FOR WOMEN, CHILDREN AND FAMILIES

Notes to Financial Statements

June 30, 2021 and 2020

Note 1 - Summary of Significant Accounting Policies (Continued)

Critical Services - The Waypoint Housing and Homeless Services offers shelter and support to individuals and families in crisis due to homelessness, poverty, and issues surrounding these challenges. The Waypoint Madge Phillips Center Shelter provides shelter, basic needs, and case management to help homeless women and their children set goals and utilize community resources to gain self-sufficiency. The Waypoint Coordinated Entry Program supports homeless individuals in the community by connecting them to area shelters to reduce the amount of time they are homeless and also creates shelter diversion.

The Waypoint Rapid Re-Housing and Homeless Prevention Programs support households who are homeless or nearly homeless with case management, landlord advocacy, and limited financial support to obtain affordable housing.

The Waypoint Domestic Violence Services Program provides crisis intervention and support services to help victims, survivors, and their families deal with the trauma of domestic violence. Services include a 24-hour Resource and Support Line, one-on-one peer counseling, legal and criminal justice advocacy, weekly support groups, emergency safety planning, multi-cultural outreach, and community prevention education.

Survivors Program: Waypoint's Survivors' Program provides support to individuals who have lost a family member or friend through homicide or vehicular homicide. The program also supports victims of violent felony crimes, such as kidnapping, robbery, and attempted murder. Services include emergency crisis intervention, legal and criminal justice system navigation, advocacy, support groups and information and referrals based on needs.

Support and Revenue - All contributions are considered to be without donor restrictions unless specifically restricted by the donor or law. Amounts received which are designated for future periods or restricted by the donor for specific purposes are reported as support with donor restrictions. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Organization reports the support as without donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

Unconditional promises to give are recorded as receivables and as support when received. Grants receivable and contributions receivable are considered unconditional promises to give. Conditional contributions are not recorded until all conditions have been satisfied, at which time they are recognized as support. Amounts due in more than one year are recorded at net realizable discounted cash flow using an appropriate discount rate commensurate with the risks involved, 4.0% in 2020. Amortization of the discount is recorded as additional revenue.

Recognition of revenue received during the current period in exchange for various program services or registrations for events that will occur in the next fiscal period are deferred until that time.

Contributions of donated goods are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

WAYPOINT SERVICES FOR WOMEN, CHILDREN AND FAMILIES
Notes to Financial Statements
June 30, 2021 and 2020

Note 1 - Summary of Significant Accounting Policies (Continued)

Contributed property and equipment are recorded at estimated fair value at the date of gift. If donors stipulate how long the assets must be used, the contributions are recorded as support with donor restrictions. In the absence of such stipulations, contributions of property and equipment are recorded as support without donor restrictions.

Revenue Recognition - Revenue from childcare services is recognized as each performance obligation is met by providing the services each operating day. One unit of service is one operating day.

Advertising Expense - Advertising costs are charged to expense when incurred.

Cash Equivalents - The Organization considers all liquid investments with a maturity of three months or less when purchased to be cash equivalents, except when donor-imposed restrictions limit their use to long-term purposes.

Accounts Receivable - Accounts receivable are uncollateralized customer obligations which generally are due upon receipt. Payments of accounts receivable are applied to the earliest unpaid invoices. At the end of each year, management determines the need for an allowance for doubtful accounts based on historical collections, current credit conditions, and knowledge of the customer base. At June 30, 2021 and 2020, management has determined there is no need for an allowance for doubtful accounts.

Investments - Investments include a short term money market account and long-term marketable equity and debt securities and cash or cash equivalents held for long-term purposes according to donor-imposed restrictions or as designated by the Organization's Board of Directors. Investments in marketable equity and debt securities are carried at fair value with unrealized and realized gains and losses on investments reported as an increase or decrease in net assets without donor restrictions or net assets with donor restrictions.

Gains and investment income that are limited to specific uses by donor-imposed restrictions are reported in net assets without donor restrictions when the restrictions are met in the same reporting period as the gains and income are recognized.

Beneficial Interest in Assets Held by a Community Foundation - Beneficial interest in assets held by a community foundation represents assets transferred to The Greater Cedar Rapids Community Foundation (Foundation) under a reciprocal agreement; therefore, the value of the assets held by the Foundation are recognized at fair value. Control over the investment or reinvestment of this fund is exercised exclusively by the Foundation. Distributions from the fund are not subject to variance power and are based on the Foundation's current distribution rate. Earnings and losses, net of fees charged, are reported in the statement of activities as investment income.

Property and Equipment - Records of property and equipment additions were not maintained prior to December 31, 1976. Property and equipment acquired prior to that date are carried on the statement of financial position at an estimated value as of December 31, 1976, as determined by an appraisal prepared by management. The use of estimated values is not in accordance with accounting principles generally accepted in the United States of America; however, management has determined that the effects on the financial statements as of June 30, 2021 and 2020 are not material. Property and equipment acquired after December 31, 1976, are recorded at cost if purchased, or fair market value if received as a donation. The Organization's policy is to capitalize additions in excess of \$1,000 with an estimated useful life of at least three years.

WAYPOINT SERVICES FOR WOMEN, CHILDREN AND FAMILIES
Notes to Financial Statements
June 30, 2021 and 2020

Note 1 - Summary of Significant Accounting Policies (Continued)

Depreciation is provided over the estimated useful lives of the respective assets on a straight-line basis as follows:

Type	Estimated Useful Lives
Buildings	45 years
Building improvements	5-45 years
Furniture and equipment	3-10 years

Impairment of Long-Lived Assets - The Organization reviews long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of carrying amount or the fair value less costs to sell.

Functional Expenses - The Organization allocates their expenses on a functional basis among their various programs and supporting activities. Expenses that can be identified with a specific program or supporting activity are allocated directly according to their natural expenditure classification. Other expenses (primarily salaries and benefits) that are common to several functions are allocated based on time estimates made by management.

Income Taxes - Waypoint Services for Women, Children and Families is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and a similar section of the Iowa income tax law, which provides income tax exemption for corporations organized and operated exclusively for religious, charitable, or educational purposes. The Organization is not classified as a private foundation. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

Date of Management Review - Management has evaluated subsequent events through March 29, 2022, the date which the financial statements were available to be issued.

Advertising Expense - Advertising costs are charged to expense when incurred.

Reclassifications - Certain amounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements.

WAYPOINT SERVICES FOR WOMEN, CHILDREN AND FAMILIES
Notes to Financial Statements
June 30, 2021 and 2020

Note 2 - Availability and Liquidity

The following represents the Organization's financial assets at June 30, 2021:

Financial assets at year-end:	
Cash and cash equivalents	\$ 552,232
Accounts receivable	100,316
Contributions receivable	1,622,264
Grants receivable	320,325
Cash value of life insurance	87,412
Beneficial interest in assets held by a community foundation	24,941
Investments	3,320,507
Total financial assets	<u>6,027,997</u>
Less amounts not available to be used within one year:	
Net assets with donor restrictions	3,001,340
Long-term contributions receivable	284,572
Less net assets with donor restrictions available for operating in the next year (time restrictions)	<u>(358,000)</u>
	2,927,912
Financial assets available to meet general expenditures Over the next twelve months	<u>\$ 3,100,085</u>

The Organization has a policy to maintain adequate financial assets to meet its obligations as they come due. In addition to the items listed above, the Organization has access to a line of credit (see Note 5) to provide additional liquidity should the need arise.

Note 3 - Promises to Give

Unconditional promises to give are expected to be realized in the following periods:

	<u>2021</u>	<u>2020</u>
Gross unconditional promises to give in:		
Less than one year	\$ 1,658,017	1,505,642
More than one year	303,530	1,202,517
Gross unconditional promises to give	1,961,547	2,708,159
Less: Unamortized discount	(18,958)	(61,152)
Net unconditional promises to give	<u>\$ 1,942,589</u>	<u>2,647,007</u>

Note 4 - Fair Value Measurements

Fair value accounting literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below:

- Level 1 – Valuations based on unadjusted quoted prices for identical assets or liabilities in active markets;
- Level 2 – Valuations based on quoted prices for similar assets or liabilities or identical assets or liabilities in less active markets, such as dealer or broker markets; and

WAYPOINT SERVICES FOR WOMEN, CHILDREN AND FAMILIES
Notes to Financial Statements
June 30, 2021 and 2020

Note 4 - Fair Value Measurements (Continued)

- Level 3 – Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable, such as pricing models, discounted cash flow models and similar techniques not based on market, exchange, dealer or broker-traded transactions.

Following is a description of the valuation methodologies used for instruments measured at fair value and their classification in the valuation hierarchy. There have been no changes in the techniques and inputs used as of June 30, 2021 and 2020.

Money market funds - Valued at cost, which is equal to fair market value.

Marketable equity securities - Valued based on quoted prices in active markets.

Marketable debt securities - Valued based on quoted prices in active markets.

Real estate securities – Valued based on quoted prices in active markets.

Cash value of life insurance - Valued based on multiple observable inputs including age and life expectancy.

Beneficial interest in assets held by a community foundation - Valued at the estimated pro-rata share of the community foundation’s investment pool.

The following tables present investment assets and liabilities measured at fair value by classification within the fair value hierarchy as of June 30, 2021 and 2020. Assets and liabilities are classified in their entirety based upon the lowest level of input that is significant to the fair value measurement.

	June 30, 2021	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money market funds	\$ 170,787	170,787	-	-
Marketable equity securities	2,641,545	2,641,545	-	-
Marketable debt securities	508,175	508,175	-	-
Cash value of life insurance	87,412	-	87,412	-
Beneficial interest in assets held by a community foundation	24,941	-	-	24,941
Total assets, at fair value	\$ 3,432,860	3,320,507	87,412	24,941

WAYPOINT SERVICES FOR WOMEN, CHILDREN AND FAMILIES
Notes to Financial Statements
June 30, 2021 and 2020

Note 4 - Fair Value Measurements (Continued)

	June 30, 2020	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money market funds	\$ 752,248	752,248	-	-
Marketable equity securities	1,766,097	1,766,097	-	-
Marketable debt securities	499,080	499,080	-	-
Cash value of life insurance	84,310	-	84,310	-
Beneficial interest in assets held by a community foundation	19,481	-	-	19,481
Total assets, at fair value	\$ 3,121,216	3,017,425	84,310	19,481

The following is a reconciliation of the beginning and ending balances of the asset measured at fair value on a recurring basis using significant unobservable (Level 3) inputs for the years ended June 30, 2021 and 2020:

	Beneficial Interest in Assets Held by a Community Foundation
Beginning balance, June 30, 2020	\$ 19,481
Unrealized gain (loss) related to instruments held at the reporting date	5,460
Balance, June 30, 2021	<u>\$ 24,941</u>
The amount of total investment gains (losses) for the period included in earnings attributable to the change in unrealized gains (losses) relating to assets still held at June 30, 2021	<u>\$ 5,460</u>
	Beneficial Interest in Assets Held by a Community Foundation
Beginning balance, June 30, 2019	\$ 20,155
Unrealized gain (loss) related to instruments held at the reporting date	(674)
Balance, June 30, 2020	<u>\$ 19,481</u>
The amount of total investment gains (losses) for the period included in earnings attributable to the change in unrealized gains (losses) relating to assets still held at June 30, 2020	<u>\$ (674)</u>

WAYPOINT SERVICES FOR WOMEN, CHILDREN AND FAMILIES
Notes to Financial Statements
June 30, 2021 and 2020

Note 4 - Fair Value Measurements (Continued)

Quantitative Information about Significant Unobservable Inputs Used in Level 3 Fair Value Measurements

The following table represents the Organization's level 3 types, the valuation techniques used to measure the fair value of those financial instruments, and the significant unobservable inputs and the ranges of values for those inputs:

Type	Fair Value	Valuation Technique	Significant Unobservable inputs	Range
Beneficial interest in assets held by a community foundation	\$24,941	Estimated pro-rata share of the community foundation's investment pool	Investments are part of the community foundation's investment pool and inputs to investments are not known to investors	Unknown

Note 5 - Line of Credit

The Organization has an open line of credit agreement with a bank. The agreement authorizes maximum borrowings of \$600,000, secured by all inventory, equipment and receivables of the Organization. Interest is payable monthly at the Wall Street Journal published prime rate plus .75% (note had rate of 3.25% at June 30, 2021). The outstanding balance for the line of credit at June 30, 2021 and 2020 was \$47,840 and \$-0-, respectively.

The Organization has an open line of credit agreement with a bank. The agreement under its most current renewal authorizes maximum borrowings of \$774,000, secured by all inventory, equipment and receivables of the Organization. Interest is payable monthly at 4.00%. The outstanding balance for the line of credit at June 30, 2021 and 2020 was \$66,969 and \$-0-, respectively.

The Organization has an open line of credit agreement with a bank. The agreement authorizes maximum borrowings of \$1,000,000, secured by all investments of the Organization. Interest is payable monthly at the Wall Street Journal published prime rate less 0.50% (note had rate of 2.75% at June 30, 2021). The outstanding balance for the line of credit at June 30, 2021 and 2020 was \$900,000 and \$-0-, respectively.

Note 6 - Operating Lease Agreements and Rent Expense

The Organization leases office space and equipment under operating leases with expiration dates through September 2025. The leases require monthly payments ranging from \$353 to \$8,000 per month per location. Lease expense for the years ended June 30, 2021 and 2020 was \$114,602 and \$91,373, respectively.

Future minimum payments under these leases are as follows for the years ending June 30:

2022	\$	40,048
2023		35,548
2024		28,050
2025		17,465
2026		2,012
Total	\$	<u>123,123</u>

WAYPOINT SERVICES FOR WOMEN, CHILDREN AND FAMILIES
Notes to Financial Statements
June 30, 2021 and 2020

Note 7 - Endowments

The Organization's endowments consist of various funds established to support capital, programming, and the general operating needs of the Organization. Its endowments consist of donor-restricted and board-designated (quasi) endowment funds. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of the Organization 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. Consequently, the Organization classifies net assets with donor restrictions as:

- The original value of gifts donated to the permanent endowment, and
- The original value of subsequent gifts to the permanent endowment.

Interpretation of Relevant Law - In accordance with UPMIFA, the Organization 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 purpose of the Organization 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 Organization
7. The investment policies of the Organization

Return Objectives and Risk Parameters - The Organization has adopted investment and spending policies for endowment assets that attempt to preserve the real value, or purchasing power, of the endowment fund assets and the annual support provided by these assets for an infinite period. The endowment assets are invested in a manner that is based on a broad number of diversified asset classes to produce results with the expectation that the rate of return will be equal to or greater than a predetermined weighted average benchmark of several market indices.

Spending Policy - The Organization has a policy of appropriating from the general endowment, that is, the portion for which donor restrictions on investment earnings do not exist, for distribution each year no more than the average annual total return, net of fees, for the previous 12 quarters on the endowment to support the general operation of the Organization less an average annual inflation rate for the previous 12 quarters. The spending rate was 4.5% and 5% for the years ended June 30, 2021 and 2020, respectively. In establishing this policy, the Organization considered the long-term expected returns on its endowment investments. Accordingly, over the long term, the Organization expects the current spending policy will allow its endowment to retain the original fair value of the gift.

WAYPOINT SERVICES FOR WOMEN, CHILDREN AND FAMILIES
Notes to Financial Statements
June 30, 2021 and 2020

Note 7 - Endowments (Continued)

Strategies Employed for Achieving Objectives - The Organization relies on a total return strategy in which investment returns are achieved through capital appreciation and current yield (interest and dividends). The Organization targets a diversified asset allocation that emphasizes growth instruments and equity securities to achieve its long-term objectives within prudent risk constraints. The target allocation for the years ended June 30, 2021 and 2020, was as follows:

Asset Category	Target Allocation
Domestic equity	60%
Foreign equity	10%
Total equity	70%
Real estate/REITS	5%
Fixed income	20%
Short-term cash	5%
Total fixed income and cash	30%
Total	100%

Endowment net asset composition by type of fund as of June 30, 2021:

		Without Donor Restrictions	With Donor Restrictions	Total
Donor restricted endowment funds	\$	-	2,568,484	2,568,484
Quasi-endowment		861,191	-	861,191
Total	\$	861,191	2,568,484	3,429,675

Changes in endowment net assets for the year ended June 30, 2021:

		Without Donor Restrictions	With Donor Restrictions	Total
Net assets, beginning of year	\$	745,264	1,960,598	2,705,862
Contributions		10,346	-	10,346
Investment income		4,152	29,017	33,169
Net appreciation (depreciation)		101,429	633,056	734,485
Appropriated for expenditure		-	(54,187)	(54,187)
Net assets, end of year	\$	861,191	2,568,484	3,429,675

Endowment net asset composition by type of fund as of June 30, 2020:

		Without Donor Restrictions	With Donor Restrictions	Total
Donor restricted endowment funds	\$	-	1,960,598	1,960,598
Quasi-endowment		745,264	-	745,264
Total	\$	745,264	1,960,598	2,705,862

WAYPOINT SERVICES FOR WOMEN, CHILDREN AND FAMILIES
Notes to Financial Statements
June 30, 2021 and 2020

Note 7 - Endowments (Continued)

Changes in endowment net assets for the year ended June 30, 2020:

	Without Donor Restrictions	With Donor Restrictions	Total
Net assets, beginning of year	\$ 728,631	1,957,597	2,686,228
Investment income	6,120	34,612	40,732
Net appreciation (depreciation)	10,513	53,633	64,146
Appropriated for expenditure	-	(85,244)	(85,244)
Net assets, end of year	<u>\$ 745,264</u>	<u>1,960,598</u>	<u>2,705,862</u>

Note 8 - Nature and Amount of Net Assets with Donor Restrictions

Net assets with donor restrictions are available for the following purposes or periods:

	2021	2020
Temporary (time and purpose) restrictions:		
Subsequent years' operations	\$ 370,764	427,866
Capital campaign	-	2,716,994
Children's services	166,541	92,544
Domestic violence program	45,503	24,679
Administration	3,775	2,100
Homeless Services	98,612	64,484
Earnings from endowment funds (without donor-restricted earnings)	1,121,963	627,621
	<u>1,807,158</u>	<u>3,956,288</u>
Permanent (endowment) restrictions:		
Irene H. Perrine Endowment Fund	150,000	150,000
Audrey Linge-Ovel	100,000	100,000
Knapp Assistance Fund	96,793	96,793
Katz Charitable Foundation Fund for Children's Services	50,000	50,000
Cecil Peterson	62,120	62,120
Wilma and John Petersen Fund	33,900	33,900
Helen Arnold	87,412	84,311
Wayne and Nan Kocourek Foundation	155,000	155,000
Other funds	458,957	458,957
	<u>1,194,082</u>	<u>1,191,081</u>
Total	<u>\$ 3,001,340</u>	<u>5,147,369</u>

Accumulated investment earnings on \$316,425 of endowment net assets are expendable only on donor specified programs. The total of these restricted accumulated earnings was \$252,730 and \$141,897 for the years ended June 30, 2021 and 2020, respectively. Those earnings have been included in the related purposes restriction. Income from the balance of the endowment net assets is expendable to support the general operations of the Organization.

WAYPOINT SERVICES FOR WOMEN, CHILDREN AND FAMILIES
Notes to Financial Statements
June 30, 2021 and 2020

Note 8 - Nature and Amount of Net Assets with Donor Restrictions (Continued)

Net assets released from donor restrictions during the years ended June 30, 2021 and 2020 are as follows:

	2021	2020
Subsequent years' operations	\$ 427,867	676,983
Children's services	2,888	27,949
Domestic violence program	10,782	17,309
Homeless Services	15,934	15,262
Capital campaign	2,716,994	-
Distribution from endowment	54,187	85,244
	\$ 3,228,652	822,747

Note 9 - Support Concentration

Total support received from United Way of East Central Iowa during the years ended June 30, 2021 and 2020, was \$379,945 and \$405,000, respectively, representing approximately 7% and 5% of the Organization's total support and revenue for the years ended June 30, 2021 and 2020, respectively.

Note 10 - Retirement Expense

The Organization participates in a defined contribution plan qualified under Section 401(k) of the Internal Revenue Code. The plan is available to all employees who are at least 21 years old and have completed one year of service consisting of 1,000 or more hours. Eligible employees may contribute up to 100% of their eligible salary up to limits set forth by the Internal Revenue Code. The Organization may elect to match a portion of employee contributions, at the discretion of the Board of Directors. The Organization's contributions to the plan for the years ended June 30, 2021 and 2020, were \$7,638 and \$8,381, respectively.

Note 11 - Designated Funds Held by a Community Foundation

Designated funds for the benefit of Waypoint Services for Women, Children and Families have been established by donors with The Greater Cedar Rapids Community Foundation (Foundation). In establishing a designated fund, the donor grants variance power to the Foundation and, therefore, an asset is not recognized by the Organization. Revenue is recognized upon receipt of distributions. The balances of these funds held for the Organization's benefit totaled \$140,101 and \$120,426 at June 30, 2021 and 2020. For the years ended June 30, 2021 and 2020, the amounts of distributions received from the Foundation were \$-0- and \$-0-, respectively.

Note 12 - Life Insurance Policy

The Organization owns a life insurance policy, insuring one patron, with a net death benefit of \$134,557. The cash surrender value of this life insurance policy, recorded as another asset in the statement of financial position, totaled \$87,412 and \$84,310 at June 30, 2021 and 2020, respectively.

WAYPOINT SERVICES FOR WOMEN, CHILDREN AND FAMILIES
Notes to Financial Statements
June 30, 2021 and 2020

Note 13 - Significant Concentrations and Contingencies

Concentration of Credit Risk - The Organization maintains all of its cash, cash equivalents, cash held for the benefit of others, money market deposits, and cash designated for special purposes in two financial institutions. Balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to specified limits. Balances in excess of FDIC limits are uninsured. At June 30, 2021, the Organization had deposits in financial institutions that exceeded federally insured limits of \$250,000. The Organization has not experienced any losses on uninsured balances.

Indeterminable Contingency - In accordance with the Code of Iowa, the Organization has elected to reimburse the Iowa Workforce Development for benefits paid to former employees of the Organization. This election is in lieu of the Organization making deposits with the Iowa Workforce Development based on a predetermined contribution rate. The amount of the contingent liability for future payments is indeterminable.

Note 14 - Refundable Advance (PPP Loan)

During the year ended June 30, 2021, the Organization received government assistance under the CARES Act in the form of two Paycheck Protection Program (PPP) loans. The Organization has applied FASB ASC 958-605 to initially record the loans as refundable advances. Under ASC 958-605-25-13, the loans are to be treated as refundable advances until the conditions on which they depend are substantially met. By June 30, 2021, the Organization had incurred eligible costs to qualify for complete forgiveness of the loans. As such, the full amounts of the PPP loans are recognized as revenue in the statement of activities.

Note 15 - Prior Period Adjustment

During the year ended June 30, 2021, the Organization finished improvements to its building using donor-restricted funds raised under its capital campaign and put the improvements into service. Accounting standards require that donor restrictions on the construction of property and equipment be released when the asset is put into service. The Organization previously reported gifts for the capital campaign as unrestricted due to costs incurred under the project. Contribution revenue for the year ended June 30, 2020 has been restated, increasing contributions with donor restrictions by \$1,095,905, and resulting in a corresponding increase in net assets with donor restrictions and decrease in net assets without donor restrictions of the same amount at June 30, 2020. The construction project was completed and placed into service in the year ended June 30, 2021, and accordingly, the donor restrictions of all capital campaign contributions have been released (as shown in Note 7). Campaign contributions of \$429,526 during the year ended June 30, 2021 have been recorded as without donor restrictions since the donor restriction was met in the same year (in accordance with Waypoint's policy in Note 1).

**WAYPOINT SERVICES FOR WOMEN,
CHILDREN AND FAMILIES AND ITS SUBSIDIARY**

Cedar Rapids, Iowa

Supplemental Information

WAYPOINT SERVICES FOR WOMEN, CHILDREN AND FAMILIES
Schedules of Operating Grant Revenue
For the Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
State of Iowa Department of Justice Crime Victim Assistance Division:		
State Domestic Abuse	\$ 119,215	101,871
Federal Crime Victim Assistance Survivor	219,958	-
Survivor Grant - State	4,270	-
Federal Crime Victim Assistance	<u>397,535</u>	<u>400,333</u>
Total State of Iowa Department of Justice Crime Victim Assistance Division	740,978	502,204
Alliant Energy Foundation Inc.	2,000	5,000
Anonymous Donor	-	4,219
Area Substance Abuse Council	7,500	6,223
Bank of America Foundation	10,000	10,000
Bank of the West	-	14,000
Cedar Valley United Way	68,000	36,000
City of Cedar Rapids - Community Development Block Grant	22,000	23,797
City of Cedar Rapids - Hoteling	4,294	-
City of Marion - Low Income Housing	6,500	-
Community Foundation of Northeast Iowa	14,000	25,653
HUD - IA Continuum of Care	120,043	60,348
East Central Iowa Housing Trust Foundation	-	2,650
Greater Cedar Rapids Community Foundation	85,725	33,508
Greater Cedar Rapids Community Foundation - Restricted	7,500	-
Housing Fund of Linn County	40,000	40,000
Housing Fund of Linn County - Foster Youth	-	7,300
ITC Holding	-	5,000
Iowa Accountability Program	17,788	42,969
Investing in Iowa Child Care	7,711	-
Iowa Coalition Against Domestic Violence	15,540	15,380
Iowa Continuum of Care Grant - HACAP - 24 Hour Crisis Line	-	20,000
Iowa Economic Development Authority	22,500	-
Iowa Finance Authority - Emergency Solutions Grant	144,330	182,924
Iowa Finance Authority - Emergency Solutions Grant CV1	790,857	-
Iowa Finance Authority - Emergency Solutions Grant CV2	189,149	-
Jones County Community Foundation	-	1,500
Kirkwood College	4,222	-
Linn County Community Services	32,582	32,582
Linn County Community Services - Coordinated Intake Support	36,863	-
Linn County Early Childhood Iowa	25,035	-
Linn County/Local Homeless Coordinating Board	23,318	11,243
Nordstrom	10,000	-
OVW Transitional Housing 2017	<u>131,016</u>	<u>156,615</u>
Balance forward	2,579,451	1,239,115

WAYPOINT SERVICES FOR WOMEN, CHILDREN AND FAMILIES
Schedules of Operating Grant Revenue
For the Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Balance forward	2,579,451	1,239,115
RBC Foundation	3,000	2,500
Robert Half	1,250	-
St Joseph's Catholic Church	4,000	2,115
State of Iowa Department of Education - Child & Adult Care Food Program	53,000	90,833
State of Iowa - COVID	187,000	1,500
State of Iowa - Rejuvenation	16,500	-
Theisen's	4,500	7,000
Toyota	5,000	5,000
University of Iowa	270	-
UWECI - COVID	-	5,000
Washington County Riverboat Foundation	25,000	-
Union Pacific Foundation	-	10,000
	<u> </u>	<u> </u>
Total grant revenue	\$ <u>2,878,971</u>	<u>1,363,063</u>

WAYPOINT SERVICES FOR WOMEN, CHILDREN AND FAMILIES
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021

Federal Grantor/ Program Title	Federal CFDA Number	Pass- through Entity Number	Federal Expenditures
U.S. Department of Justice:			
Direct Awards:			
Transitional Housing Assistance	16.736		\$ 131,016
Passed through the Crime Victim Assistance Division of Iowa Department of Justice:			
Victims of Crime Act	16.575	VS-20-26-DAC and VS-21-26-DAC	397,535
Homicide Survivors Program	16.575	VS-20-144-HP and VS-21-144-HP	219,958
Passed through the Judicial Branch of Iowa:			
Iowa Accountability Program	16.590	2015-WE-AX-0017	<u>17,788</u>
			<u>766,297</u>
U.S. Department of Housing and Urban Development:			
Passed through the City of Cedar Rapids:			
Community Development Block Grants	14.218		22,000
Passed through the Iowa Finance Authority:			
* Emergency Solutions Grant Program	14.231	ESG-57007-20 and 21	144,330
* Emergency Solutions Grant Program COVID-19	14.231	ESG-CV-57007-20	790,857
* Emergency Solutions Grant Program COVID-19	14.231	ESG-CV2-57007-20	189,149
Passed through the Iowa Balance of State Continuum of Care:			
Continuum of Care (CoC) Program	14.267	2018-003	<u>120,043</u>
			<u>1,266,379</u>
U.S. Department of the Treasury			
Passed through the Iowa Economic Development Authority:			
Coronavirus Relief Fund COVID-19	21.019		22,500
U.S. Department of Agriculture			
Passed through the State of Iowa Department of Education:			
Child and Adult Care Food Program	10.558		53,000
Federal Emergency Management Agency			
Passed through Linn County Community Services:			
Emergency Food and Shelter National Board Program	97.024		23,319
Total Expenditures of Federal Awards			<u>\$ 2,131,495</u>

* - Denotes major program

WAYPOINT SERVICES FOR WOMEN, CHILDREN AND FAMILIES
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (Schedule) includes the federal award activity of Waypoint Services for Women, Children, and Families (Waypoint) under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the 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).

Because the Schedule presents only a selected portion of the operations of Waypoint, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Waypoint.

Note 2 - Summary of Significant Accounting Policies

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

Note 3 - Indirect Cost Rate

Waypoint opted not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 4 - Subrecipients

There were no awards passed through to subrecipients.



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

To the Board of Directors of
Waypoint Services for Women, Children and Families
Cedar Rapids, Iowa

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 Waypoint Services for Women, Children and Families (a nonprofit organization), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated March 29, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Waypoint Services for Women, Children and Families' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 Organization'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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319.753.9877	319.393.2374	641.437.4296	641.472.6171	319.385.9718	641.672.2523	641.628.9411	515.657.5800

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization'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 that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

TDT CPAs and Advisors, P.C.

Cedar Rapids, Iowa
March 29, 2022



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

To the Board of Directors of
Waypoint Services for Women, Children and Families
Cedar Rapids, Iowa

Report on Compliance for Each Major Federal Program

We have audited Waypoint Services for Women, Children and Families' compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on its major federal programs for the year ended June 30, 2021. Waypoint Services for Women, Children and Families' major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance of Waypoint Services for Women, Children and Families' 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 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). Those standards and the 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 Waypoint Services for Women, Children and Families' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Waypoint Services for Women, Children and Families' compliance.

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Opinion on Each Major Federal Program

In our opinion, Waypoint Services for Women, Children and Families complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended June 30, 2021.

Report on Internal Control over Compliance

Management of Waypoint Services for Women, Children and Families 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 Waypoint Services for Women, Children and Families' 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 an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Waypoint Services for Women, Children and Families' 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 purposed described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

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.

TDT CPAs and Advisors, P.C.

Cedar Rapids, Iowa
March 29, 2022

WAYPOINT SERVICES FOR WOMEN, CHILDREN AND FAMILIES
Schedule of Findings and Questioned Costs
Year Ended June 30, 2021

Part I: Summary of independent auditors' results:

1. An unmodified opinion was issued on the financial statements.
2. The audit of the financial statements did not uncover any significant deficiencies or material weaknesses in internal control over financial reporting. However, material weaknesses or significant deficiencies may exist that have not been uncovered.
3. The audit did not disclose any non-compliance that is material to the financial statements.
4. There were no significant deficiencies or material weaknesses disclosed during the audit of compliance over major programs.
5. Auditor issued an unmodified opinion on compliance of major programs.
6. There were no reported audit findings relative to the major federal award programs.
7. The following program was considered to be a major program:
 - a. Emergency Solutions Grant, CFDA 14.231
8. The threshold between a Type A and Type B program was \$750,000.
9. The auditee qualified as a low-risk auditee.

Part II: Finding(s) related to the financial statements in accordance with generally accepted government auditing standards:

NONE

Part III: Finding(s) and questioned costs for Federal awards:

NONE

Summary Schedule of Prior Audit Findings

Questioned Program

Findings

Status

None