YOUNG WOMEN'S CHRISTIAN ASSOCIATION
OF THE CENTRAL CAROLINAS, INC.

FINANCIAL STATEMENTS
JUNE 30, 2020

YOUNG WOMEN’S CHRISTIAN ASSOCIATION
OF THE CENTRAL CAROLINAS, INC.
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Young Women's Christian Association of Central Carolinas, Inc.
Charlotte, North Carolina

We have audited the accompanying consolidated financial statements of Young Women's Christian Association of Central Carolinas, Inc. (the "Organization" - a nonprofit corporation), which comprise the consolidated statement of financial position as of June 30, 2020, and the related consolidated statements of activities, functional expenses and cash flows for the year 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.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit 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 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.

Opinion
In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Young Women's Christian Association of Central Carolinas, Inc., as of June 30, 2020 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information
We have previously audited the Organization's 2019 financial statements, and our report dated October 2, 2019, expressed an unmodified opinion on those financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

C. DeWitt Foard & Company, P.A.
October 13, 2020

MEMBER: AMERICAN INSTITUTE OF CPAS & NORTH CAROLINA ASSOCIATION OF CPAS

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF THE CENTRAL CAROLINAS, INC.

Consolidated Statement of Financial Position
June 30, 2020, With Prior Year Comparative Totals

	2020	2019
ASSETS		
Cash	$ 1,666,050	$ 994,243
Receivables:		
Promises to give, net	3,598,816	1,320,248
Accounts	114,144	56,593
Prepaid expenses	13,544	2,227
Assets held for long-term use:		
Investments	6,369,971	6,286,683
Cash	462,630	645,542
Accrued income receivable	24,699	23,871
Property and equipment, net	4,769,180	4,862,184
TOTAL ASSETS	***$ 17,019,034***	***$ 14,191,591***
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	$ 149,853	$ 165,055
Deferred income	100,476	73,509
Accrued interest expense	482,652	450,652
Notes payable	731,581	737,329
Total Liabilities	1,464,562	1,426,545
Net Assets:		
Without donor restrictions	9,087,301	8,322,354
With donor restrictions	6,467,171	4,442,692
Total Net Assets	15,554,472	12,765,046
TOTAL LIABILITIES AND NET ASSETS	***$ 17,019,034***	***$ 14,191,591***

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF THE CENTRAL CAROLINAS, INC.

Consolidated Statement of Activities
Year Ended June 30, 2020, With Prior Year Comparative Totals

	Without Donor Restrictions	With Donor Restrictions	Totals 2020	Totals 2019
SUPPORT AND REVENUE				
Support:				
United Way	$ 7,570	$ -	$ 7,570	$ 832,596
Contributions and grants	1,000,318	3,428,171	4,428,489	1,368,788
Governmental agencies	581,498	-	581,498	234,025
Revenue:				
Program fees	747,838	-	747,838	909,630
Investment income	156,105	5,691	161,796	430,491
Rental income, net of $11,575 of expenses	1,768	-	1,768	3,776
Loss on disposal of assets	(726)	-	(726)	(4,004)
Other income	10,008	-	10,008	5,925
Net Assets Released from Restrictions:				
Satisfaction of time restrictions	696,503	(696,503)	-	-
Satisfaction of program restrictions	712,880	(712,880)	-	-
TOTAL SUPPORT AND REVENUE	***3,913,762***	***2,024,479***	***5,938,241***	***3,781,227***
EXPENSES				
Program services	2,442,751	-	2,442,751	2,623,802
Management and general	396,762	-	396,762	361,833
Fundraising	309,302	-	309,302	329,532
TOTAL EXPENSES	***3,148,815***	***-***	***3,148,815***	***3,315,167***
CHANGE IN NET ASSETS	***764,947***	***2,024,479***	***2,789,426***	***466,060***
NET ASSETS, BEGINNING	***8,322,354***	***4,442,692***	***12,765,046***	***12,298,986***
NET ASSETS, ENDING	***$ 9,087,301***	***$ 6,467,171***	***$ 15,554,472***	***$ 12,765,046***

YOUNG WOMEN'S CHRISTIAN ASSOCIATION
OF THE CENTRAL CAROLINAS, INC.
Consolidated Statement of Functional Expenses
Year Ended June 30, 2020 With Prior Year Comparative Totals

	Program Services								Totals	
	Youth Development	Health and Fitness	Women In Transition	Families Together	Racial Justice	Total Program Services	Management and General	Fundraising	2020	2019
PERSONNEL										
Salaries and wages	$ 588,401	$ 254,040	$ 220,662	$ 110,500	$ 53,041	$ 1,226,644	$ 225,050	$ 160,455	$ 1,612,149	$ 1,659,917
Benefits and taxes	88,846	36,324	32,688	16,548	9,677	184,083	55,585	22,694	262,362	255,797
Total Personnel	***677,247***	***290,364***	***253,350***	***127,048***	***62,718***	***1,410,727***	***280,635***	***183,149***	***1,874,511***	***1,915,714***
OTHER EXPENSES										
Occupancy	78,172	173,790	197,693	65,008	4,268	518,931	30,820	17,124	566,875	639,133
Contracted services	18,136	6,125	60,973	15,310	14	100,558	36,609	9,399	146,566	174,521
Special events	-	-	-	-	-	-	2,000	51,750	53,750	51,931
Insurance	22,729	6,243	5,736	4,397	1,000	40,105	8,878	1,160	50,143	60,463
Interest	-	-	37,859	10,394	-	48,253	-	-	48,253	48,582
Program supplies and activities	17,496	8,313	7,343	4,695	1,524	39,371	-	200	39,571	66,367
Publications	1,007	2,471	-	-	296	3,774	-	25,443	29,217	15,707
Program transportation	21,628	-	-	-	-	21,628	-	-	21,628	32,070
Phone and data service	8,503	3,985	1,726	3,117	267	17,598	1,614	1,083	20,295	21,026
Financial and bank fees	-	9,745	6	49	142	9,942	5,568	3,413	18,923	15,629
Regional dues	4,494	2,911	3,239	1,427	367	12,438	2,175	-	14,613	18,655
Office supplies and equipment	2,742	1,036	758	56	193	4,785	5,149	2,624	12,558	12,206
Professional fees	-	-	217	-	-	217	12,250	-	12,467	14,500
Staff development	877	414	369	100	-	1,760	4,966	495	7,221	5,994
Advertising	-	5,545	-	-	-	5,545	-	-	5,545	6,259
Meals	1,046	88	147	-	25	1,306	2,335	703	4,344	6,148
Local mileage reimbursement	2,429	-	58	-	216	2,703	61	147	2,911	3,893
Postage and freight	-	488	-	-	-	488	(946)	3,275	2,817	4,296
Travel	-	-	-	-	82	82	-	-	82	2,247
Other	1,579	21	2,878	587	-	5,065	818	264	6,147	5,580
Total Other Expenses	***180,838***	***221,175***	***319,002***	***105,140***	***8,394***	***834,549***	***112,297***	***117,080***	***1,063,926***	***1,205,207***
TOTAL EXPENSES BEFORE DEPRECIATION EXPENSE	***858,085***	***511,539***	***572,352***	***232,188***	***71,112***	***2,245,276***	***392,932***	***300,229***	***2,938,437***	***3,120,921***
Depreciation and amortization	15,062	74,361	67,567	40,485	-	197,475	15,405	9,073	221,953	208,673
TOTAL EXPENSES	***873,147***	***585,900***	***639,919***	***272,673***	***71,112***	***2,442,751***	***408,337***	***309,302***	***3,160,390***	***3,329,594***
Less - amounts deducted against support and revenue	-	-	-	-	-	-	11,575	-	11,575	14,427
NET EXPENSES	***$ 873,147***	***$ 585,900***	***$ 639,919***	***$ 272,673***	***$ 71,112***	***$ 2,442,751***	***$ 396,762***	***$ 309,302***	***$ 3,148,815***	***$ 3,315,167***

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF THE CENTRAL CAROLINAS, INC.

Consolidated Statement of Cash Flows
Year Ended June 30, 2020, With Prior Year Comparative Totals

	2020	2019
OPERATING ACTIVITIES		
Change in net assets	$ 2,789,426	$ 466,060
Adjustments to reconcile change in net assets		
to cash flows from operating activities:		
Depreciation and amortization expense	221,953	208,673
Amortization of loan discount	16,252	16,582
Loss on disposal of equipment	726	4,004
Contributions restricted for long-term purposes	(3,015,000)	-
Realized and unrealized gains on investments	(61,172)	(332,748)
(Increase) decrease in operating assets:		
Promises to give	721,432	(220,749)
Accounts receivable	(57,551)	24,792
Prepaid expenses	(11,317)	503
Accrued income receivable	(828)	(692)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	(15,202)	22,850
Deferred income	26,967	(22,801)
Accrued interest expense	32,000	32,000
Cash Flows From Operating Activities	***647,686***	***198,474***
INVESTING ACTIVITIES		
Purchase of property and equipment	(129,675)	(370,713)
Proceeds from sale of investments	1,917,091	1,680,811
Purchase of investments	(1,939,207)	(1,244,144)
Cash Flows From Investing Activities	***(151,791)***	***65,954***
FINANCING ACTIVITIES		
Principal paid on notes payable	(22,000)	(22,000)
Promises to give for long-term purposes	(3,000,000)	-
Contributions restricted for long-term purposes	3,015,000	-
Cash Flows From Financing Activities	***(7,000)***	***(22,000)***
CHANGE IN CASH	***488,895***	***242,428***
CASH, BEGINNING	***1,639,785***	***1,397,357***
CASH, ENDING	***$ 2,128,680***	***$ 1,639,785***

NOTE 1 - ORGANIZATION AND PURPOSE

Nature of activities
The Young Women's Christian Association of the Central Carolinas, Inc. (the "Organization") was incorporated on October 27, 1955, under the laws of the State of North Carolina. The Organization is a member agency of the United Way of Central Carolinas, Inc. (the "United Way") and receives a substantial portion of its support in the form of allocations from the United Way. Other funding sources include private and governmental grants and contributions from the general public. The following is a summary of programs provided by the Organization:

- Youth Programs
  YWCA Central Carolinas Youth Programs provide year-round afterschool and full-day summer programming for more than 200 high-poverty youth in Kindergarten through 5th grade at no costs to their families. We serve youth throughout Mecklenburg and Union Counties in public housing communities, County Park and Recreation facilities, public schools and the YWCA building. The purpose of the program is improving academics with a focus on literacy, keeping children safe in at-risk environments, and providing holistic support to meet the needs of students' families and encourage parent engagement. Due to COVID-19, Youth Programs pivoted to virtual learning beginning March 16, 2020 and continuing through the end of the fiscal year. From fall 2019 to winter 2020, the number of students on reading level increased by 56%, and the number of students that were 2 or more reading levels behind decreased by 25%.

- Health and Fitness
  YWCA's Sarah Belk Gambrell Health and Fitness Center provides health and fitness activities for more than 700 community members, including memberships for participants in Women In Transition and Families Together and free swimming lessons for Youth Program participants. The center features a heated indoor pool, weight and cardio facilities, water and land-based fitness classes, an outdoor fitness trail and access to personal training services. In addition, specialty programming including fee-based swim lessons and a fee-based swim team generate additional income for the center. Due to COVID-19, the Fitness Center closed beginning March 16, 2020 and remained closed through the end of the fiscal year.

- Women In Transition (WIT)
  Women In Transition provides safe, affordable housing and comprehensive support services for women who have experienced homelessness. The goal is to provide temporary affordable housing, access to community resources and intensive case management needed to help them become economically stable and permanently housed. During COVID-19, the program continued operations, and case-management services increased in frequency via virtual or socially-distanced interactions beginning March 16, 2020 and continuing through the end of the fiscal year. These increased touches ensured that our participants continued to be supported in their goals to graduate into permanent housing and maintain/establish financial stability. In 2019-20, 80% of program graduates exited the program into permanent housing; and 84% established/maintained better financial stability.

- Families Together
  Families Together provides safe, affordable housing and comprehensive support services for families with children that have experienced homelessness. Families must earn between 20%-50% of Area Median Income upon program entry (maximum of $41,750 annually for a family of four). During COVID-19, the program continued operations, and case-management services increased in frequency via virtual or socially-distanced interactions beginning March 16, 2020 and continuing through the end of the fiscal year. These increased touches that our participants continued to be supported in their goals to graduate into permanent housing and maintain/establish financial stability. In 2019-20, 80% of families that graduated from the program exited into permanent housing, and 80% established/maintained financial stability. Youth Programs provide academically-based year-round out-of-school time services for children in Families Together.

- Racial Justice and Advocacy
  YWCA's Racial Justice and Advocacy programming is designed to bring together community members who desire conversation leading to the understanding of racial and social justice issues dividing our community. At the core of our mission – eliminating racism, empowering women, and promoting peace, justice, freedom and dignity for all – is the belief that no one should suffer from institutional and structural racism. Laws, policies and practices that perpetuate the criminalization of people of color are devastating to communities. Sessions developed by YWCA and in conjunction with community partners use topic experts to clearly define the issues and bring inequities to the forefront for concerned citizens. Due to COVID-19, our Racial Justice and Advocacy programming shifted to virtual interactions with our community beginning March 16, 2020 and continuing through the end of the fiscal year. In 2019-20, our Racial Justice and Advocacy forums, book clubs, and our annual Stand Against Racism event, engaged roughly 420 community members.

Consolidated entity

Young Women's Christian Association of the Central Carolinas Endowment, Inc. ("Endowment") was incorporated on January 18, 2007, under the laws of the State of North Carolina. The purpose of the Endowment is to generate financial support, own, and manage capital assets for the Organization. The Endowment operates as a separate legal entity. However, a majority of the Endowment's Board of Directors are appointed by members of the Organization's Board of Directors. Due to the Organization's control of the Endowment, the accompanying consolidated financial statements include the activities of both entities. Significant affiliated transactions are eliminated when the separate financial statements are consolidated.

The Endowment has adopted investment and spending policies for its assets that attempt to provide a predictable stream of funding for supported programs while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk. Endowment assets are invested in a well-diversified asset mix, which includes equity and debt securities, that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make annual distributions while growing the funds. Actual returns in any given year will vary.

Under current policy, the Endowment Board of Directors may annually distribute up to four percent of the Endowment market value, averaged over the prior three years. There are no minimum distribution requirements. It shall be the responsibility of the Board, in consultation with the Investment Manager, to periodically review the spending policy against actual returns in order to make necessary adjustments. Income available for spending is determined by a total return approach. During the year, the Board approved a distribution of $255,000.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation
The Organization prepares its financial statements on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (GAAP). The Organization is required under GAAP to report information regarding its financial position and activities according to the following classes of net assets:

- *Net assets without donor restrictions* – These amounts are not subject to any donor-imposed stipulations and include resources invested in property. Net assets without donor restrictions can be designated by the Organization for specific purposes. However, these funds have not been restricted by donors.
- *Net assets with donor restrictions* – These amounts consist of temporarily restricted net assets, which are subject to donor-imposed stipulations that may or will be met either by actions of the Organization or the passage of time and permanently restricted net assets, which are subject to donor-imposed stipulations that they be maintained permanently by the Organization. During the year, the Organization had no permanently restricted net assets.

Contributions and grants
The Organization reports contributions and grants of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires (that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Donated services, goods, property and equipment
Donated services are reported as contributions when the services (a) create or enhance nonfinancial assets or (b) would be purchased if they had not been provided by contribution, require specialized skills, and are provided by individuals possessing those skills. Donated goods, if significant, are included in support at fair value. During the year, the Organization recorded $2,125 of donated services and no donated goods.

In addition, many individuals, including members of the Board of Directors, volunteer their time and perform a variety of tasks that assist the Organization with specific assistance programs and various assignments. The value of this contributed time is not reflected in these financial statements since it does not meet the above recognition criteria.

Donated facilities
The Organization receives donated space for certain program related activities at various locations. The fair value of the rent has been calculated at $45,451 for the year and has been reflected in the financial statements as a contribution with a like amount included in occupancy expense.

Promises to give
In accordance with GAAP, the Organization recognizes unconditional promises to give as support in the period the promise is received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Accounts receivable
Accounts receivable are unsecured and consist primarily of amounts due for program services provided. Management considers all accounts receivable to be collectible based on its evaluation of the individual accounts; therefore, no allowance for doubtful accounts has been provided.

Property and equipment
Purchased fixed assets are carried at cost and donated fixed assets are recorded at their fair market value at the date of the gift, both subject to a $1,000 capitalization policy. Depreciation is provided using the straight-line method over the estimated useful lives. Maintenance, repair costs, and minor replacements are charged to expense as incurred. When assets are retired or otherwise disposed of, the costs and accumulated depreciation are removed from the accounts and any gain or loss is reflected in current operations.

Investments
Investments are reported at fair value in accordance with GAAP.

Deferred income
Deferred income represents fees or other payments received in advance of providing related services or fulfilling contract terms. Such amounts are not recorded as income until the services are provided or contractual obligations are fulfilled.

Revenue recognition
The Organization expects to adopt the requirements of the Financial Accounting Standards Board's Accounting Standards Update No. 2014-09, "*Revenue from Contracts with Customers" (ASU 2014-09)*, for the year ending June 30, 2021. The core principle of this standard is that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Management believes that the impact of this standard will not be material to The Organization's financial statements.

Functional allocation of expenses
The Organization's activities are focused in three functional areas. Program services represent the primary focus of the Organization's activities. Supporting services are fundraising activities and

management and general activities. Personnel expenses are allocated based on management's estimates of time and effort. Occupancy, depreciation and amortization, technology and interest are allocated based on space usage and program size. All other expenses are allocated on an analysis of the various expenses that comprise those costs.

Use of estimates
The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of support, revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income tax status
The Organization and the Endowment are not-for-profit corporations that are exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code with respect to exempt function income. Both entities are not classified as a private foundation.

Prior-year comparative totals
The financial statements include certain prior-year summarized information, which is presented for comparative purposes only. Accordingly, such information should be read in conjunction with the Organization's June 30, 2019 financial statements, from which the summarized information was derived. Certain prior-year amounts may have been reclassified to conform to the presentation in the current-year financial statements.

NOTE 3 - PROMISES TO GIVE

Promises to give at year-end are expected to be collected as follows:

Year ended June 30:		
2021		$ 1,536,233
2022		1,058,570
2023		1,056,100
2024		2,600
2025		2,100
Thereafter		3,700
Total		3,659,303
Deduct:		
Allowance for doubtful accounts	$ 13,080	
Present value discount at 1.5 percent	47,407	60,487
Total		$ 3,598,816

Promises to give as of year-end include $275,000 of United Way allocations for subsequent periods and a $3,000,000 promise to give from a private foundation. No amounts have been included in the above allowance for doubtful accounts for these promises to give based on historical experience.

NOTE 4 - PROPERTY AND EQUIPMENT

The principal categories and estimated useful lives of property and equipment at year-end are as follows:

	Estimated Useful Lives		
Buildings and improvements	10-40 years	$	8,400,161
Furniture and equipment	3-10 years		1,234,242
Land improvements	10 years		342,851
Land			736,953
			10,714,207
Less - accumulated depreciation			5,945,027
		$	4,769,180

NOTE 5 - INVESTMENTS

The balance at year-end consisted of the following assets held in an investment account at Bank of America:

Equities and equity mutual funds	$	4,431,818
Bond portfolio		1,938,153
	$	6,369,971

The Organization is the income beneficiary of various accounts held in trust for which the trustee has variance power over the distribution of the assets. Accordingly, no amounts are reflected in the accompanying financial statements related to the value of these accounts. Income is recorded as the Organization receives payments, due to the uncertainty of the timing and amounts that will be received.

NOTE 6 - LINE OF CREDIT

The Organization has a $500,000 revolving line of credit with a local bank, secured by a second deed of trust on the Organization's property located on Park Road. Interest only is due monthly at the LIBOR rate plus two percent, limited to a floor of 5 percent and a ceiling of 7 percent, with any outstanding principal balance due June 26, 2021. This line of credit is renewable annually. There was no outstanding principal balance as of year-end.

NOTE 7 - NOTES PAYABLE

Notes payables at year-end consist of the following obligations:

A balance of $114,351 related to an interest-free loan from the North Carolina Housing Finance Agency (the Agency) with a value of $130,626 that is presented net of a present value discount of $16,275. Since the note bears no interest, a present value discount has been computed utilizing a discount rate of five percent. Repayment of principal is due at a rate of $1,833 per month. This loan is secured by a third deed of trust on the Organization's property located on Park Road.

A balance of $217,230 related to an interest-free loan from the Agency with a face value of $500,000 that is presented net of a present value discount of $282,770. Since the note bears no interest, a present value discount has been computed utilizing a discount rate of five percent. This loan is secured by a deed of trust on the Organization's eleven townhome units located on Park Road constructed as part of the Families Together initiative. Principal is due February 1, 2038; however, the Organization may refinance the loan interest-free for an additional thirty years as long as the use of the property continues as originally proposed. This property is to be used to provide housing for homeless families with minor children. Any change in the use of the property could cause the entire loan balance to become due and payable immediately. The Organization has also assigned its interest in tenant leases related to the Families Together Program as a condition of this loan.

A balance of $400,000 on a note from the Charlotte-Mecklenburg Housing Partnership, Inc. (the Partnership) secured by a fourth lien on the Organization's property located on Park Road. Interest accrues on this loan at a rate of eight percent per annum. Payment of the interest is deferred until the loan's maturity date of November 4, 2034; however, any outstanding principal and deferred interest will be forgiven at the maturity date unless 1) the property secured by the loan is transferred or 2) the WIT program is discontinued, at which time all outstanding principal and deferred interest will be due and payable. Accrued interest payable at year-end is $482,652. The Organization has also assigned its interest in tenant leases related to the WIT program to the Partnership as a condition of this loan.

Future maturities of the above notes are as follows:

During the year ending June 30,	
2021	$ 22,000
2022	22,000
2023	22,000
2024	22,000
2025	22,000
Thereafter	621,581
	$ 731,581

NOTE 8 - LEASE OBLIGATIONS

The Organization leases office equipment and vehicles under various non-cancellable operating leases. During the year, the Organization made total payments of $16,596 related to these lease payments. No capital lease obligations existed during the year. Future minimum rental payments due under operation leases at year-end are as follows:

Year ending June 30,		
2021	$	19,852
2022		15,773
2023		15,392
2024		2,445
	$	53,462

NOTE 9 - NET ASSETS

Temporarily restricted net assets at year-end are available for the following purposes or periods:

United Way annual allocation for the period ending December 31, 2020	$	275,000
Promises to give in future years, net		
Grounds for Change capital campaign		2,955,585
Other		391,420
More than a Roof Campaign:		
Facilities maintenance		343,716
Expansion of programs		1,800,000
Discount on interest-free loans		298,586
Youth Programs – Facility		88,257
Women In Transition and Families Together – facility maintenance		245,923
Women In Transition and Families Together		56,904
Families Together furniture		9,632
1902 Society		32
Swim lessons		2,116
	$	6,467,171

Net assets of the consolidated entities for the year consist of the following:

	YWCA	Endowment	Total
Beginning	$ 12,765,046	$ -	$ 12,765,046
Change in net assets	2,789,426	-	2,789,426
Ending	$ 15,554,472	$ -	$ 15,554,472

NOTE 10 - RETIREMENT PLAN

The Organization provides retirement benefits for eligible employees as a participating employer-sponsor of the Organization Retirement Fund Inc. (the Fund) established by the YWCA USA. Contributions to the Fund amounted to $46,710 during the year. The actuarial present value of the benefit obligation and fair value of plan assets are not available separately for each employer who participates in the Fund.

NOTE 11 - FAIR VALUE MEASUREMENTS

Current accounting standards require fair value of financial instruments to be determined based on the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants. It establishes a three-level valuation hierarchy based upon observable and unobservable inputs, as follows:

Level 1 **-** Fair value is based on quoted prices in active markets for identical assets or liabilities.

Level 2 **-** Fair value is based on observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 **-** Fair value is based on unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The Organization's investments are classified as Level 1 assets.

NOTE 12 - CONCENTRATION OF CREDIT RISK

Cash
Cash held in bank accounts is insured up to $250,000 by the Federal Deposit Insurance Corporation (FDIC). The Organization regularly maintains balances in excess of insured limits. The total cash held by the Organization at year-end includes $1,386,376 in excess of insured limits covered by the FDIC.

Investments
Investments are insured by the Securities Investor Protection Corporation up to $500,000. The Organization invests in a variety of investments, which are subject to fluctuations in market values and expose the Organization to a certain degree of investment risk.

Support and revenue
During the year, the Organization received approximately 51 percent of its total support and revenue from one donor, and at year-end approximately 83 percent of the total promises to give is receivable from the same donor.

The Organization operates in a small geographic area and receives funding from a limited number of sources and is therefore sensitive to changes in the local economy.

NOTE 13 - CONTINGENCIES

Grants from governmental agencies can be subject to special audits by the funding agencies. Such audits could result in claims against the Organization for disallowed costs or noncompliance with grantor restrictions. No provision has been made for any liabilities that may arise from such audits since the amounts, if any, cannot be determined at this date.

NOTE 14 – PAYCHECK PROTECTION PROGRAM

In order to mitigate the effect of the COVID-19 pandemic, the Organization received a Paycheck Protection Program "PPP" loan for $300,000 from the Small Business Administration "SBA" during the year. By year-end, the Organization had met the requirements to have the loan forgiven and will formally request forgiveness once the SBA allows. Since the Organization had met all of the requirements for forgiveness by June 30, 2020, the total amount received was recorded as grant revenue.

NOTE 15 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization has $3,316,427 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditure consisting of cash of $1,666,050 and receivables of $1,650,377 which are expected to be collected during the year. Of this total $1,609,180 of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Organization also maintains a $500,000 line of credit that is available for general expenditures if needed.

NOTE 16 - UNCERTAINTIES

The COVID-19 pandemic has resulted in major changes in the local economy. At this point, the full impact of this pandemic on the Organization is unknown, but management believes that it could negatively impact its revenue for at least the next year.

NOTE 17 - SUBSEQUENT EVENTS

The Organization has evaluated subsequent events from the date of the statement of financial position through the date of the independent auditors' report, which is the date the financial statements were available to be issued. During this period, no material recognizable subsequent events were identified.