

YWCA NORTHEAST INDIANA, INC.

FINANCIAL STATEMENTS

Years Ended December 31, 2020 and 2019

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of YWCA Northeast Indiana, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, 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 controls 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. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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.

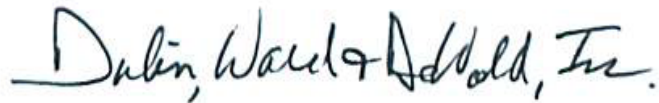
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of YWCA Northeast Indiana, Inc. as of December 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of program service expenses and schedule of government funds received on pages 26-28 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the 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.

A handwritten signature in cursive script that reads "Dublin, Ward & Adbold, Inc.".

Fort Wayne, Indiana
April 13, 2021

YWCA NORTHEAST INDIANA, INC.
STATEMENTS OF FINANCIAL POSITION
December 31, 2020 and 2019

	2020	2019
ASSETS		
Cash and cash equivalents	\$ 660,936	\$ 652,333
Claims receivable	510,831	318,245
Contributions receivable	454,074	259,888
Contributions receivable - capital campaign	500	31,000
Prepaid expenses	38,768	41,324
Investments	3,794,345	3,652,735
Land and building held for sale	1,825,000	-
Beneficial interest	91,573	86,761
Land, buildings and equipment - net of accumulated depreciation	<u>3,545,773</u>	<u>3,628,433</u>
Total Assets	<u><u>\$10,921,800</u></u>	<u><u>\$ 8,670,719</u></u>
LIABILITIES AND NET ASSETS		
Accounts payable	\$ 106,710	\$ 39,471
Accrued expenses	152,861	184,377
Refundable advance	394,000	-
Note payable	<u>3,153,876</u>	<u>-</u>
Total Liabilities	3,807,447	223,848
Net Assets:		
Without donor restrictions	5,170,607	6,883,516
With donor restrictions	<u>1,943,746</u>	<u>1,563,355</u>
Total Net Assets	<u>7,114,353</u>	<u>8,446,871</u>
Total Liabilities and Net Assets	<u><u>\$10,921,800</u></u>	<u><u>\$ 8,670,719</u></u>

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

YWCA NORTHEAST INDIANA, INC.
STATEMENTS OF ACTIVITIES
Years Ended December 31, 2020 and 2019

	Without Donor Restrictions	With Donor Restrictions	2020 Total
CHANGES IN NET ASSETS			
Support, Revenues and Gains:			
Contributions and grants	\$ 303,390	\$ 820,723	\$ 1,124,113
Trust and estate distributions	76,098	-	76,098
United Way	4,645	64,250	68,895
Grants	21,865	-	21,865
Government grants	962,917	-	962,917
Special events:			
Proceeds	-	-	-
Less direct benefits to donors	-	-	-
Government contracts	920,471	-	920,471
Program service fees	151,219	-	151,219
Investment income - net fees	33,403	18,829	52,232
Gain on investments	153,145	98,969	252,114
Miscellaneous	122,602	-	122,602
Net Assets Released From Restrictions	<u>622,380</u>	<u>(622,380)</u>	<u>-</u>
Total Support, Revenues and Gains	3,372,135	380,391	3,752,526
Expenses and Losses:			
Program services:			
Shelter for Victims of Domestic			
Violence	1,057,470	-	1,057,470
Hope and Harriett House	1,091,472	-	1,091,472
Outreach	261,598	-	261,598
Racial Justice	15,456	-	15,456
Steps to Success	211,563	-	211,563
Education	125,366	-	125,366
Dress for Success	79,265	-	79,265
REACT	105,690	-	105,690
Total Program Services	<u>2,947,880</u>	<u>-</u>	<u>2,947,880</u>

(continued)

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

Without Donor Restrictions	With Donor Restrictions	2019 Total
\$ 268,127	\$ 529,000	\$ 797,127
340,386	-	340,386
632	124,375	125,007
29,353	-	29,353
757,624	-	757,624
18,270	-	18,270
(17,924)	-	(17,924)
1,024,882	-	1,024,882
141,737	-	141,737
61,226	31,088	92,314
354,717	190,400	545,117
3,119	-	3,119
802,692	(802,692)	-
<hr/>	<hr/>	<hr/>
3,784,841	72,171	3,857,012
1,065,443	-	1,065,443
1,172,735	-	1,172,735
204,745	-	204,745
18,071	-	18,071
185,854	-	185,854
121,195	-	121,195
72,527	-	72,527
105,943	-	105,943
<hr/>	<hr/>	<hr/>
2,946,513	-	2,946,513

YWCA NORTHEAST INDIANA, INC.
STATEMENTS OF ACTIVITIES
Years Ended December 31, 2020 and 2019

	Without Donor Restrictions	With Donor Restrictions	2020 Total
(continued)			
Supporting services and other:			
Management and general	\$ 593,891	\$ -	\$ 593,891
Fundraising	229,600	-	229,600
Regional YWCA affiliation dues	14,583	-	14,583
Impairment loss	1,299,090	-	1,299,090
	2,137,164	-	2,137,164
Total Supporting Services and Other	2,137,164	-	2,137,164
Total Expenses and Losses	5,085,044	-	5,085,044
CHANGE IN NET ASSETS	(1,712,909)	380,391	(1,332,518)
NET ASSETS - beginning of year	6,883,516	1,563,355	8,446,871
NET ASSETS - end of year	\$ 5,170,607	\$ 1,943,746	\$ 7,114,353

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

Without Donor Restrictions	With Donor Restrictions	2019 Total
\$ 428,492	\$ -	\$ 428,492
203,948	-	203,948
11,016	-	11,016
<u>-</u>	<u>-</u>	<u>-</u>
<u>643,456</u>	<u>-</u>	<u>643,456</u>
<u>3,589,969</u>	<u>-</u>	<u>3,589,969</u>
194,872	72,171	267,043
<u>6,688,644</u>	<u>1,491,184</u>	<u>8,179,828</u>
<u><u>\$ 6,883,516</u></u>	<u><u>\$ 1,563,355</u></u>	<u><u>\$ 8,446,871</u></u>

YWCA NORTHEAST INDIANA, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
Years Ended December 31, 2020 and 2019

	Supporting Services			
	Program Services	Management & General	Fundraising	2020
Salaries	\$ 1,776,668	\$ 329,824	\$ 142,688	\$ 2,249,180
Employee health and retirement benefits	203,439	29,694	13,783	246,916
Payroll taxes	146,238	26,038	11,697	183,973
Total Salaries and Related Expenses	2,126,345	385,556	168,168	2,680,069
Occupancy	283,823	64,714	5,075	353,612
Client welfare	181,764	132	6	181,902
Professional fees	51,333	42,203	38,620	132,156
Equipment expense	49,991	7,751	3,161	60,903
Staff training and meeting	24,814	8,877	3,067	36,758
Bad debt expense	-	28,827	-	28,827
Communications	17,756	4,164	528	22,448
Miscellaneous	269	16,754	-	17,023
Travel expense	15,844	464	283	16,591
Supplies and program expense	9,415	4,602	410	14,427
Special events	50	-	8,631	8,681
Membership dues	2,342	1,774	393	4,509
Printing and publicity	1,304	1,077	328	2,709
Marketing	-	2,571	138	2,709
Postage	1,642	181	178	2,001
Total Expenses Before Depreciation	2,766,692	569,647	228,986	3,565,325
Depreciation	181,188	24,244	614	206,046
Total Expenses per Statement of Activities	2,947,880	593,891	229,600	3,771,371
Expenses included in support, revenue and gains:				
Cost of direct benefit to donors	-	-	-	-
Regional YWCA affiliation dues	-	14,583	-	14,583
Total Functional Expenses	<u>\$ 2,947,880</u>	<u>\$ 608,474</u>	<u>\$ 229,600</u>	<u>\$ 3,785,954</u>

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

Supporting Services

Program Services	Management & General	Fundraising	2019
\$ 1,639,890	\$ 223,095	\$ 141,401	\$ 2,004,386
175,678	19,812	12,721	208,211
141,278	19,001	12,104	172,383
1,956,846	261,908	166,226	2,384,980
290,180	14,438	4,498	309,116
164,368	32	3	164,403
132,962	93,703	11,365	238,030
51,741	6,541	3,977	62,259
17,856	7,932	1,098	26,886
-	-	-	-
14,751	3,251	1,392	19,394
7,663	3,896	-	11,559
39,927	3,667	1,876	45,470
11,493	1,983	447	13,923
-	1,575	10,764	12,339
4,410	658	572	5,640
18,838	4,686	995	24,519
1,394	-	-	1,394
1,297	203	257	1,757
2,713,726	404,473	203,470	3,321,669
232,787	24,019	478	257,284
2,946,513	428,492	203,948	3,578,953
-	-	17,924	17,924
-	11,016	-	11,016
<u>\$ 2,946,513</u>	<u>\$ 439,508</u>	<u>\$ 221,872</u>	<u>\$ 3,607,893</u>

YWCA NORTHEAST INDIANA, INC.
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2020 and 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (1,332,518)	\$ 267,043
Adjustments to reconcile change in net assets to cash flows from operating activities:		
Depreciation	206,046	257,284
Increase (decrease) in present value discount	-	(1,000)
Reinvested investment income - net of fees	(51,574)	(90,996)
Reinvested beneficial interest income - net of fees	(658)	(1,480)
Net (gain) loss on investments and beneficial interest	(252,114)	(545,117)
Impairment loss	1,299,090	-
Expenses paid via note payable	4,390	-
Provision for bad debts	28,827	-
Change in assets and liabilities:		
(Increase) decrease in:		
Claims receivable	(221,413)	21,230
Contributions receivable	(194,186)	(7,338)
Prepaid expenses	2,556	8,159
Cash surrender value of life insurance	-	10,495
Increase (decrease) in:		
Accounts payable	16,725	(1,643)
Accrued expenses	(31,516)	25,458
	(526,345)	(57,905)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	153,853	33,300
Proceeds from beneficial interest	4,071	-
Purchase of land, building and equipment	(47,476)	(52,826)
	110,448	(19,526)
CASH FLOWS FROM FINANCING ACTIVITIES		
Refundable advance	394,000	-
Collection of contributions receivable - capital campaign	30,500	54,433
	424,500	54,433
INCREASE (DECREASE) IN CASH CASH EQUIVALENTS	8,603	(22,998)
CASH, CASH EQUIVALENTS AND RESTRICTED CASH - beginning of year	652,333	675,331
CASH, CASH EQUIVALENTS AND RESTRICTED CASH - end of year	\$ 660,936	\$ 652,333

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

YWCA NORTHEAST INDIANA, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

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

Income Taxes

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

Adoption of New Accounting Standards

During 2019 the YWCA adopted ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, as amended as management believes the standard improves the usefulness and understandability of the YWCA's financial reporting. Analysis of various provisions of this standard resulted in no significant changes in the way the YWCA recognizes revenue, and therefore, no changes to the previously issued audited financial statements were required on a retrospective basis. The presentation and disclosure of revenue have been enhanced in accordance with the standard.

Also, during 2019 the YWCA adopted ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 605)* as management believes the standard improves the usefulness and understandability of the YWCA's financial reporting. There was no effect on net assets in connection with the implementation of ASU 2018-08.

Net Asset Classifications

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

(continued)

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

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

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

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

Estimates

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

Receivables

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

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

(continued)

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

Revenue and Revenue Recognition

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

A portion of the YWCA's revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the YWCA has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position. No advances have been received on the grants and no deferred revenue is recognized.

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

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

Miscellaneous revenue is recognized as revenue when received.

Investments

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

Cash and Cash Equivalents

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

(continued)

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

Functional Expense Allocations

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

Expense	Method of Allocation
Salaries and related expenses	Time and effort
Occupancy	Square footage
Printing and publicity	Percentage of budget
Postage	Percentage of budget
Equipment expense	Percentage of budget

Land, Buildings and Equipment

Land, buildings and equipment are stated at cost or at fair value where a recent appraisal is available or, if donated, at fair value at date of the gift. Items with a cost or value of \$500 or more and a useful life of one year or more are capitalized. The YWCA follows the policy of providing depreciation on the straight-line method for financial reporting purposes over the estimated useful lives of the related assets.

Subsequent Events

Management has evaluated subsequent events through April 13, 2021, the date which the financial statements were available for issue.

Reclassification

Certain reclassifications have been made to conform prior years' statements to the current presentation. These reclassifications had no effect on previously reported operating results.

2. CONTRIBUTIONS RECEIVABLE

Contributions receivable as of December 31 consist of the following:

	2020	2019
Contributions receivable	<u>\$ 454,574</u>	<u>\$ 290,888</u>
Amounts due in:		
Less than one year	\$ 259,574	\$ 290,888
One to five years	195,000	-
More than five years	<u>-</u>	<u>-</u>
	<u>\$ 454,574</u>	<u>\$ 290,888</u>

The YWCA has received notification of intentions to give in the amount of \$47,250 from the United Ways of Allen, DeKalb, Huntington and Whitley counties. The expected funding is to be used for programs in 2021 and has not been recorded as an asset of the YWCA as of December 31, 2020.

3. LAND, BUILDINGS AND EQUIPMENT

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

	2020	2019
Land	\$ 1,037,250	\$ 41,065
Buildings and building improvements	2,120,546	4,491,689
Equipment	<u>995,653</u>	<u>872,598</u>
	4,153,449	5,405,352
Accumulated depreciation	<u>607,676</u>	<u>1,776,919</u>
	<u>\$ 3,545,773</u>	<u>\$ 3,628,433</u>

4. INVESTMENTS

Investments at December 31 are summarized as follows:

	2020	2019
Fixed income	\$ 693,591	\$ 1,020,413
Equities	1,070,375	2,448,958
Other	9,550	22,055
Real estate funds	<u>10,545</u>	<u>8,605</u>
	1,784,061	3,500,031
Cash and cash equivalents	<u>2,010,284</u>	<u>152,704</u>
	<u>\$ 3,794,345</u>	<u>\$ 3,652,735</u>

5. BENEFICIAL INTEREST

The beneficial interest totaling \$91,573 at December 31, 2020 and \$86,761 at December 31, 2019 consists of funds held by the Community Foundations of Greater Fort Wayne, DeKalb County, Huntington County, Noble County, Wells County and Whitley County (Foundations) which are the result of an agreement whereby the YWCA has transferred assets to the Foundations and has specified itself as the beneficiary of the assets. The YWCA may draw up to a certain percent of the value of the assets each year but may only obtain a return of the full value of the assets upon consent of the Foundations.

Additionally, the Community Foundation of Greater Fort Wayne holds investment assets, with a value of \$43,097 at December 31, 2020 and \$39,750 at December 31, 2019, for the benefit of the YWCA for which the Foundation has retained variance power. These assets are not recorded as assets of the YWCA.

6. FAIR VALUE MEASUREMENT

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

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

(continued)

6. FAIR VALUE MEASUREMENT (continued)

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

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

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

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

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

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

Fair value of assets and liabilities measured on a recurring basis at December 31, 2020 are as follows:

	Level 1	Level 3
Investments:		
Fixed income:		
Government obligations	\$ 19,544	\$ -
Corporate obligations	48,986	-
Domestic mutual funds	56,566	-
International mutual funds	30,527	-
Exchange - traded funds	192,567	-
Mutual funds - fixed income	345,401	-

(continued)

6. FAIR VALUE MEASUREMENT (continued)

	Level 1	Level 3
Equities:		
Consumer discretionary	\$ 17,264	\$ -
Consumer staples	10,216	-
Financials	44,720	-
Health care	16,053	-
Industrials	13,664	-
Information technology	52,683	-
Materials	3,041	-
Telecommunications services	2,443	-
International equities	27,457	-
Domestic mutual funds	112,619	-
International mutual funds	51,663	-
Exchange - traded funds	245,581	-
Mutual funds - equity	472,971	-
Other	9,550	-
Real estate funds	10,545	-
Beneficial interest	<u>-</u>	<u>91,573</u>
	<u>\$ 1,784,061</u>	<u>\$ 91,573</u>

Fair value of assets and liabilities measured on a recurring basis at December 31, 2019 are as follows:

	Level 1	Level 3
Investments:		
Fixed income:		
Government obligations	\$ 34,988	\$ -
Corporate obligations	36,333	-
Domestic mutual funds	19,971	-
International mutual funds	26,755	-
Exchange - traded funds	182,148	-
Mutual funds - fixed income	720,218	-

(continued)

6. FAIR VALUE MEASUREMENT (continued)

	Level 1	Level 3
Consumer discretionary	\$ 118,546	\$ -
Consumer staples	70,985	-
Energy	42,695	-
Financials	151,864	-
Health care	138,416	-
Industrials	95,757	-
Information technology	233,976	-
Materials	18,579	-
Real estate	17,664	-
Telecommunications services	100,462	-
Utilities	32,769	-
International equities	27,843	-
Domestic mutual funds	59,296	-
International mutual funds	85,475	-
Exchange - traded funds	561,386	-
Mutual funds - equity	693,245	-
Other	22,055	-
Real estate funds	8,605	-
Beneficial interest	<u>-</u>	<u>86,761</u>
	<u>\$ 3,500,031</u>	<u>\$ 86,761</u>

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

	Beneficial Interest	
	2020	2019
Balance – beginning of year	\$ 86,761	\$ 72,918
Contributions	-	-
Total gains and losses included in earnings:		
Interest and dividends	1,779	2,416
Unrealized gain/(loss)	8,478	9,670
Realized gain/(loss)	(253)	2,693
Investment fees	<u>(1,121)</u>	<u>(936)</u>
	8,883	13,843
Disbursements	<u>(4,071)</u>	<u>-</u>
Balance – end of year	<u>\$ 91,573</u>	<u>\$ 86,761</u>

7. LINE OF CREDIT

The YWCA has a \$200,000 revolving line of credit with 1st Source Bank to be drawn upon as needed, bearing interest at 2.25% at December 31, 2020. The authorization is secured by real estate. No amount was outstanding as of December 31, 2020 and 2019.

8. NOTE PAYABLE

The YWCA has entered into a term loan totaling \$3,153,876 at December 31, 2020, payable to 1st Source Bank for the purchase of real estate. The note is payable in one installment of principal plus interest at 3.25% in March 2021. The note is secured by real estate.

This note was refinanced subsequent to the financial statement date with a term loan with an available draw of \$4,200,000 with interest only payments due the 15th day of July 2021, October 2021, January 2022 with final payment due April 15, 2022. The loan bears interest at prime with a 3% floor and is secured by real estate.

9. REFUNDABLE ADVANCE

The YWCA received \$394,000 from the Small Business Administration (SBA) as a part of the Paycheck Protection Program (PPP) through the Coronavirus Aid, Relief, and Economic Securities (CARES) Act. The PPP is a loan designed to provide a direct incentive for small businesses to keep their workers on the payroll. The SBA will forgive the loan if all employee retention criteria are met, and the funds are used for eligible expenses. Any part of the advance that is not forgiven is payable in monthly installments starting ten months after the loan forgiveness covered period as defined by the CARES Act, including interest at 1% with a final payment due November 20, 2022.

The forgivable portion of the loan is being considered a conditional contribution and has been recorded as a refundable advance in the statement of financial position. When the YWCA receives approval from the SBA that the loan has been forgiven, the refundable advance will be reduced, and a contribution will be recognized.

10. RETIREMENT PLAN

The YWCA participates in a multi-employer defined benefit retirement plan (YWCA Retirement Fund, Inc.) administered by YWCA USA that covers all employees with at least two years of service who have worked 1,000 hours during any two years of employment. The YWCA contributes 5.5% of salary for the benefit of each participant, and the national retirement fund contributes an additional 3%. Participants are 100% vested immediately upon participation in the plan. The amount charged to operations was \$-0- for 2020 and \$29,344 for 2019.

During 2019, the YWCA began sponsoring a tax deferred annuity retirement plan under Section 403(b) of the Internal Revenue Code. The plan covers all employees over the age of 21. The employees are eligible following one year of continuous service with a minimum of 1,000 hours per year. The YWCA contributes 2% of an employee's earnings regardless of whether the employee contributes to the plan. Contributions to the plan charged to operations were \$76,927 in 2020 and \$18,418 in 2019.

11. IN-KIND CONTRIBUTIONS

The YWCA recognized contributions of certain goods and services received at the fair value of those goods and services as follows:

	2020	2019
Program services:		
Supplies and program expense	\$ -	\$ 2,289
Management and general occupancy	<u>50,514</u>	<u>-</u>
Total in-kind contributions	<u>\$ 50,514</u>	<u>\$ 2,289</u>

12. NET ASSETS

Net assets with donor restrictions are restricted as follows:

	2020	2019
Subject to time requirements:		
Contributions receivable	\$ 323,984	\$ 10,000
Unappropriated endowment earnings	<u>879,645</u>	<u>785,111</u>
Total subject to time requirements	1,203,629	795,111

(continued)

12. NET ASSETS (continued)

	2020	2019
Subject to purpose requirements:		
Staff development	\$ -	\$ 9,167
Human services	120,000	148,000
Hope House operations	<u>110,040</u>	<u>101,000</u>
Total subject to purpose requirements	230,040	258,167
Endowment subject to the YWCA's spending policy and appropriations:		
Investment in perpetuity	<u>510,077</u>	<u>510,077</u>
Total net assets with donor restrictions	<u>\$ 1,943,746</u>	<u>\$ 1,563,355</u>

Net assets without donor restrictions are as follows:

	2020	2019
Undesignated	\$ 2,737,382	\$ 4,498,176
Board designated – operating reserve	<u>2,433,225</u>	<u>2,385,340</u>
	<u>\$ 5,170,607</u>	<u>\$ 6,883,516</u>

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

	2020	2019
Time requirements	\$ 10,000	\$ 165,000
Programming requirements	562,449	569,374
Board development	-	17,000
Staff development	14,167	833
Capital improvements	12,500	17,185
Endowment	<u>23,264</u>	<u>33,300</u>
Net assets released from restrictions	<u>\$ 622,380</u>	<u>\$ 802,692</u>

13. RELATED PARTIES

The YWCA purchased consulting services totaling \$-0- in 2020 and \$3,900 in 2019 from a company owned by a member of its Board of Directors.

14. ENDOWMENT

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

Interpretation of Relevant Law

The Board of Directors of YWCA Northeast Indiana, Inc. has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the YWCA classifies as permanent endowment (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified as a permanent endowment is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the YWCA in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the YWCA considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

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

(continued)

14. **ENDOWMENT** (continued)

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

	Donor Restricted Endowment	
	2020	2019
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	\$ 510,077	\$ 510,077
Accumulated investment earnings subject to time restrictions	<u>879,645</u>	<u>785,111</u>
	<u>\$ 1,389,722</u>	<u>\$ 1,295,188</u>

Changes in Endowment Fund Net Assets for the Year Ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment fund net assets - beginning of year	\$ -	\$ 1,295,188	\$ 1,295,188
Contributions	-	-	-
Investment return:			
Investment income	-	28,274	28,274
Net appreciation (depreciation) - realized and unrealized	-	98,969	98,969
Fees	<u>-</u>	<u>(9,445)</u>	<u>(9,445)</u>
Total investment return	-	117,798	117,798
Appropriation of endowment fund assets for expenditure	<u>-</u>	<u>(23,264)</u>	<u>(23,264)</u>
Endowment net assets - end of year	<u>\$ -</u>	<u>\$ 1,389,722</u>	<u>\$ 1,389,722</u>

(continued)

14. **ENDOWMENT** (continued)

Changes in Endowment Fund Net Assets for the Year Ended December 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment fund net assets -			
beginning of year	\$ -	\$ 1,107,000	\$ 1,107,000
Contributions	-	-	-
Investment return:			
Investment income	-	40,245	40,245
Net appreciation (depreciation) - realized and unrealized	-	190,400	190,400
Fees	-	(9,157)	(9,157)
Total investment return	-	221,488	221,488
Appropriation of endowment fund assets for expenditure	-	(33,300)	(33,300)
Endowment net assets - end of year	<u>\$ -</u>	<u>\$ 1,295,188</u>	<u>\$ 1,295,188</u>

Return Objectives and Risk Parameters

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

Strategies Employed for Achieving Objectives

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

(continued)

14. ENDOWMENT (continued)

Spending Policy and How the Investment Objectives Relate to Spending Policy

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

15. ADVERTISING COSTS

Advertising costs are charged to operations when incurred. The cost of advertising charged to operations was \$-0- in 2020 and \$16,390 in 2019.

16. CREDIT RISKS, CONCENTRATIONS AND CONTINGENCIES

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

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

The YWCA maintains cash accounts in a local bank. Cash balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per bank. As of December 31, 2020, deposits in excess of the insured amount totaled \$427,549.

During 2016, the YWCA entered into an affordable housing program agreement with the Federal Home Loan Bank of Indianapolis (FHLBI) to partially fund the construction and renovation of a building housing the crisis shelter and program and administrative offices. For 15 years, if the building is disposed of or used for a purpose other than what was set forth in the agreement, the funds received, including interest, are required to be returned to FHLBI.

17. RENTAL EXPENSE UNDER OPERATING LEASES

The YWCA leases office space and equipment under operating leases expiring at various times through 2024. Total rental expense was \$140,406 for the year ended December 31, 2020 and \$137,822 for the year ended December 31, 2019.

Minimum future rental payments under noncancelable operating leases having initial or remaining terms in excess of one year as of December 31, 2020 for each of the next five years and in the aggregate are:

2021	\$ 126,848
2022	60,489
2023	1,131
2024	754
2025 and thereafter	<u>-</u>
	<u>\$ 189,222</u>

Additionally, the YWCA rents office equipment on a month-to-month basis. Total rental expense under cancelable operating leases was \$420 for 2020 and 2019.

18. STATEMENT OF CASH FLOWS SUPPLEMENTAL DISCLOSURES

Noncash investing and financing activity includes purchase of land, building and equipment of \$3,200,000 via a note payable of \$3,149,486 and an in-kind contribution of \$50,514 in 2020.

19. UNCERTAINTIES

On March 11, 2020, the COVID-19 virus had been declared a global pandemic. The extent of the impact of the COVID-19 outbreak on the financial performance of the YWCA will depend on future developments, including the duration and severity of the outbreak and its impact on the overall economy. Management is carefully monitoring the situation and evaluating its options during this time. No adjustments have been made to these financial statements as a result of this uncertainty.

20. AVAILABILITY AND LIQUIDITY

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

Financial assets at year-end:	2020	2019
Cash and cash equivalents	\$ 660,936	\$ 652,333
Claims receivable	510,831	318,245
Contributions receivable	454,074	259,888
Contributions receivable – capital campaign	500	31,000
Investments	3,794,345	3,652,735
Beneficial interest	<u>91,573</u>	<u>86,761</u>
Total financial assets	5,512,259	5,000,962
Less amounts not available to be used within one year:		
Permanent endowment	510,077	510,077
Unappropriated endowment	879,645	785,111
Contributions receivable greater than one year	195,000	-
Board and staff development	-	9,167
Board designated net assets	<u>2,433,225</u>	<u>2,385,340</u>
Total assets not to be used in one year	<u>4,017,947</u>	<u>3,689,695</u>
Financial assets available to meet general expenditures within one year	<u>\$ 1,494,312</u>	<u>\$ 1,311,267</u>

The YWCA maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities and other obligations come due. To help manage unanticipated liquidity needs the YWCA has a line of credit of \$200,000 which it can draw upon. Additionally, the YWCA has board designated net assets without donor restrictions that, while the YWCA does not intend to spend these for purposes other than those identified, the amounts could be made available for current operations, if necessary.

21. IMPAIRMENT LOSS AND LAND AND BUILDING HELD FOR SALE

During 2020 the YWCA put their property on Decatur Road up for sale. This transaction resulted in moving the fair market value of the property of \$1,825,000 to land and building held for sale and recording an impairment loss of \$1,299,090. Fair market value was determined by the realtor based on sales of similar properties in the area. The YWCA expects the property to sell during 2021.

YWCA NORTHEAST INDIANA, INC.
SCHEDULE OF PROGRAM SERVICES EXPENSES
Year Ended December 31, 2020

	Shelter for Victims of Domestic Violence	Hope and Harriett House	Outreach	Racial Justice
Salaries	\$ 592,280	\$ 614,219	\$ 202,860	\$ 11,977
Employee health and retirement benefits	68,799	68,345	18,542	1,683
Payroll taxes	49,269	51,234	15,953	918
	<hr/>	<hr/>	<hr/>	<hr/>
Total Salaries and Related Expenses	710,348	733,798	237,355	14,578
Occupancy	85,179	170,865	4,608	179
Client welfare	92,133	46,998	662	-
Professional fees	5,467	41,328	2,210	53
Equipment expense	22,340	17,468	3,629	164
Staff training and meeting	10,015	7,569	1,606	302
Communications	2,938	5,741	4,572	60
Miscellaneous	54	215	-	-
Travel expense	2,902	5,382	3,967	-
Supplies and program expense	3,118	3,884	283	18
Special events	-	-	-	-
Membership dues	684	782	59	5
Printing and publicity	160	207	359	1
Postage	686	538	132	9
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenses Before Depreciation	936,024	1,034,775	259,442	15,369
Depreciation	121,446	56,697	2,156	87
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenses	<u><u>\$ 1,057,470</u></u>	<u><u>\$ 1,091,472</u></u>	<u><u>\$ 261,598</u></u>	<u><u>\$ 15,456</u></u>

See independent auditors' report.

Steps to Success	Education	Dress for Success	REACT	2020
\$ 130,349	\$ 97,028	\$ 49,762	\$ 78,193	\$ 1,776,668
21,145	8,370	3,033	13,522	203,439
10,818	7,738	3,783	6,525	146,238
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
162,312	113,136	56,578	98,240	2,126,345
3,760	4,382	12,048	2,802	283,823
34,368	8	7,595	-	181,764
703	426	224	922	51,333
2,404	2,501	735	750	49,991
3,007	1,000	663	652	24,814
1,689	1,693	-	1,063	17,756
-	-	-	-	269
2,617	976	-	-	15,844
235	150	637	1,090	9,415
-	-	-	50	50
52	31	702	27	2,342
99	391	44	43	1,304
116	71	39	51	1,642
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211,362	124,765	79,265	105,690	2,766,692
201	601	-	-	181,188
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<u>\$ 211,563</u>	<u>\$ 125,366</u>	<u>\$ 79,265</u>	<u>\$ 105,690</u>	<u>\$ 2,947,880</u>

YWCA NORTHEAST INDIANA, INC.
SCHEDULE OF PROGRAM SERVICES EXPENSES
Year Ended December 31, 2019

	Shelter for Victims of Domestic Violence	Hope and Harriett House	Outreach	Racial Justice
Salaries	\$ 583,971	\$ 573,678	\$ 137,756	\$ 10,530
Employee health and retirement benefits	58,281	66,473	15,466	1,427
Payroll taxes	51,521	48,993	12,452	844
	<hr/>	<hr/>	<hr/>	<hr/>
Total Salaries and Related Expenses	693,773	689,144	165,674	12,801
Occupancy	90,177	170,856	5,316	237
Client welfare	60,320	81,038	481	-
Professional fees	21,229	93,017	5,201	4,183
Equipment expense	21,700	19,854	3,421	183
Staff training and meeting	8,366	4,083	1,201	63
Communications	3,222	6,590	1,837	-
Miscellaneous	2	7,040	-	-
Travel expense	4,510	6,621	17,005	-
Supplies and program expense	3,470	5,305	749	323
Membership dues	832	1,311	173	12
Printing and publicity	6,243	7,360	1,402	180
Marketing	-	1,394	-	-
Postage	518	392	94	7
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenses Before Depreciation	914,362	1,094,005	202,554	17,989
Depreciation	151,081	78,730	2,191	82
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenses	<u>\$ 1,065,443</u>	<u>\$ 1,172,735</u>	<u>\$ 204,745</u>	<u>\$ 18,071</u>

See independent auditors' report.

Steps to Success	Education	Dress for Success	REACT	2019
\$ 125,456	\$ 85,422	\$ 43,957	\$ 79,120	\$ 1,639,890
12,499	8,846	1,027	11,659	175,678
10,354	7,445	3,405	6,264	141,278
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148,309	101,713	48,389	97,043	1,956,846
2,982	4,749	13,339	2,524	290,180
18,868	4	3,657	-	164,368
3,317	2,062	1,609	2,344	132,962
2,807	2,409	640	727	51,741
1,717	971	864	591	17,856
732	952	88	1,330	14,751
-	-	621	-	7,663
5,986	4,479	1,049	277	39,927
421	272	792	161	11,493
149	93	1,117	723	4,410
342	2,875	249	187	18,838
-	-	-	-	1,394
83	54	113	36	1,297
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185,713	120,633	72,527	105,943	2,713,726
141	562	-	-	232,787
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<u>\$ 185,854</u>	<u>\$ 121,195</u>	<u>\$ 72,527</u>	<u>\$ 105,943</u>	<u>\$ 2,946,513</u>

YWCA NORTHEAST INDIANA, INC.
SCHEDULE OF GOVERNMENT FUNDS RECEIVED
Year Ended December 31, 2020

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Revenue Recognized
Government Grants		
Federal Grants		
U.S. Department of Housing and Urban Development: Passed through Indiana Housing and Community Development Authority: Emergency Shelter Grants Program	14.231	\$ 22,163
Passed through City of Fort Wayne Emergency Shelter Grants Program	14.231	26,921
Passed through Indiana Coalition Against Domestic Violence Continuum of Care Program	14.231	57,946
U.S. Department of Health and Human Services: Passed through Indiana Criminal Justice Institute: Family Violence Prevention and Services Grants for Battered Women's Shelter	93.671	147,128
Social Services Block Grant	93.667	28,000
U.S. Department of Justice: Passed through Indiana Criminal Justice Institute: Crime Victim Assistance	16.575	447,618
Violence Against Women Formal Grants	16.588	12,502
State Grants		
Indiana Criminal Justice Institute: Domestic Violence Prevention and Treatment	N/A	<u>220,639</u>
Total Government Grants		962,917
Government Contracts		
Indiana Department of Child Services	N/A	<u>920,471</u>
Total Government Funds Received		<u><u>\$ 1,883,388</u></u>

See independent auditors' report.

