

YWCA NORTHEAST INDIANA, INC.

FINANCIAL STATEMENTS

Years Ended December 31, 2019 and 2018

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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, 2019 and 2018, 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.

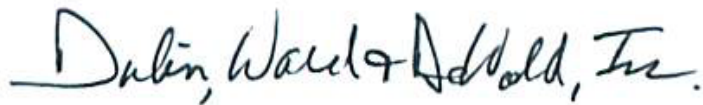
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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, 2019 and 2018, 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.



Fort Wayne, Indiana
June 11, 2020

YWCA NORTHEAST INDIANA, INC.
STATEMENTS OF FINANCIAL POSITION
December 31, 2019 and 2018

	2019	2018
ASSETS		
Cash and cash equivalents	\$ 652,333	\$ 659,146
Claims receivable	318,245	339,475
Contributions receivable - net	259,888	252,550
Contributions receivable - capital campaign - net	31,000	84,433
Prepaid expenses	41,324	49,483
Investments	3,652,735	3,062,285
Cash surrender value of life insurance	-	10,495
Beneficial interest	86,761	72,918
Cash restricted to purchase of equipment	-	16,185
Land, buildings and equipment - net of accumulated depreciation	<u>3,628,433</u>	<u>3,832,891</u>
Total Assets	<u><u>\$ 8,670,719</u></u>	<u><u>\$ 8,379,861</u></u>
LIABILITIES AND NET ASSETS		
Accounts payable	\$ 48,545	\$ 41,114
Accrued expenses	<u>175,303</u>	<u>158,919</u>
Total Liabilities	223,848	200,033
Net Assets:		
Without donor restrictions	6,883,516	6,688,644
With donor restrictions	<u>1,563,355</u>	<u>1,491,184</u>
Total Net Assets	<u><u>8,446,871</u></u>	<u><u>8,179,828</u></u>
Total Liabilities and Net Assets	<u><u>\$ 8,670,719</u></u>	<u><u>\$ 8,379,861</u></u>

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

YWCA NORTHEAST INDIANA, INC.
STATEMENTS OF ACTIVITIES
Years Ended December 31, 2019 and 2018

	Without Donor Restrictions	With Donor Restrictions	2019 Total
CHANGES IN NET ASSETS			
Support, Revenues and Gains:			
Contributions and grants	\$ 268,127	\$ 529,000	\$ 797,127
Trust and estate distributions	340,386	-	340,386
United Way	632	124,375	125,007
Grants	29,353	-	29,353
Government grants	757,624	-	757,624
Government contracts	1,024,882	-	1,024,882
Special events:			
Proceeds	18,270	-	18,270
Less direct benefits to donors	(17,924)	-	(17,924)
Program service fees	141,737	-	141,737
Investment income - net fees	61,226	31,088	92,314
Gain on investments	354,717	190,400	545,117
Miscellaneous	3,119	-	3,119
Net Assets Released From Restrictions	802,692	(802,692)	-
Total Support, Revenues and Gains	3,784,841	72,171	3,857,012
Expenses and Losses:			
Program services:			
Shelter for Victims of Domestic			
Violence	1,065,443	-	1,065,443
Hope and Harriett House	1,172,735	-	1,172,735
Outreach	204,745	-	204,745
Racial Justice	18,071	-	18,071
Steps to Success	185,854	-	185,854
Education	121,195	-	121,195
Dress for Success	72,527	-	72,527
REACT	105,943	-	105,943
Total Program Services	2,946,513	-	2,946,513

(continued)

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

Without Donor Restrictions	With Donor Restrictions	2018 Total
\$ 355,348	\$ 720,565	\$ 1,075,913
50,256	-	50,256
1,575	168,375	169,950
5,699	-	5,699
931,126	-	931,126
54,120	-	54,120
(11,321)	-	(11,321)
129,421	-	129,421
60,250	22,329	82,579
-	32,993	32,993
524,494	-	524,494
686,645	(686,645)	-
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2,787,613	257,617	3,045,230
975,688	-	975,688
771,009	-	771,009
177,275	-	177,275
22,259	-	22,259
39,471	-	39,471
157,247	-	157,247
29,539	-	29,539
63,474	-	63,474
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2,235,962	-	2,235,962

YWCA NORTHEAST INDIANA, INC.
STATEMENTS OF ACTIVITIES
Years Ended December 31, 2019 and 2018

	Without Donor Restrictions	With Donor Restrictions	2019 Total
(continued)			
Supporting services and other:			
Management and general	\$ 428,492	\$ -	\$ 428,492
Fundraising	203,948	-	203,948
Regional YWCA affiliation dues	11,016	-	11,016
Loss on disposal of land, building and equipment	-	-	-
Loss on investments	-	-	-
	643,456	-	643,456
Total Supporting Services and Other	643,456	-	643,456
Total Expenses and Losses	3,589,969	-	3,589,969
CHANGE IN NET ASSETS	194,872	72,171	267,043
NET ASSETS - beginning of year	6,688,644	1,491,184	8,179,828
RECLASSIFICATION	-	-	-
NET ASSETS - end of year	\$ 6,883,516	\$ 1,563,355	\$ 8,446,871

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

Without Donor Restrictions	With Donor Restrictions	2018 Total
\$ 368,832	\$ -	\$ 368,832
190,958	-	190,958
11,654	-	11,654
41,246	-	41,246
<u>226,830</u>	<u>114,299</u>	<u>341,129</u>
<u>839,520</u>	<u>114,299</u>	<u>953,819</u>
<u>3,075,482</u>	<u>114,299</u>	<u>3,189,781</u>
(287,869)	143,318	(144,551)
6,987,747	1,336,632	8,324,379
<u>(11,234)</u>	<u>11,234</u>	<u>-</u>
<u><u>\$ 6,688,644</u></u>	<u><u>\$ 1,491,184</u></u>	<u><u>\$ 8,179,828</u></u>

YWCA NORTHEAST INDIANA, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
Years Ended December 31, 2019 and 2018

	Supporting Services			
	Program Services	Management & General	Fund Raising	2019
Salaries	\$ 1,639,890	\$ 223,095	\$ 141,401	\$ 2,004,386
Employee health and retirement benefits	175,678	19,812	12,721	208,211
Payroll taxes	141,278	19,001	12,104	172,383
Total Salaries and Related Expenses	1,956,846	261,908	166,226	2,384,980
Occupancy	290,180	14,438	4,498	309,116
Professional fees	132,962	93,703	11,365	238,030
Client welfare	164,368	32	3	164,403
Equipment expense	51,741	6,541	3,977	62,259
Travel expense	39,927	3,667	1,876	45,470
Staff training and meeting	17,856	7,932	1,098	26,886
Printing and publicity	18,838	4,686	995	24,519
Communications	14,751	3,251	1,392	19,394
Supplies and program expense	11,493	1,983	447	13,923
Special events	-	1,575	10,764	12,339
Miscellaneous	7,663	3,896	-	11,559
Membership dues	4,410	658	572	5,640
Postage	1,297	203	257	1,757
Marketing	1,394	-	-	1,394
Bad debt expense	-	-	-	-
Interest expense	-	-	-	-
Total Expenses Before Depreciation	2,713,726	404,473	203,470	3,321,669
Depreciation	232,787	24,019	478	257,284
Total Expenses per Statement of Activities	2,946,513	428,492	203,948	3,578,953
Expenses included in support, revenue and gains:				
Cost of direct benefit to donors	-	-	17,924	17,924
Regional YWCA affiliation dues	-	11,016	-	11,016
Total Functional Expenses	\$ 2,946,513	\$ 439,508	\$ 221,872	\$ 3,607,893

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

Supporting Services

Program Services	Management & General	Fund Raising	2018
\$ 1,211,911	\$ 188,775	\$ 141,640	\$ 1,542,326
126,858	16,007	9,314	152,179
106,314	16,075	11,460	133,849
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1,445,083	220,857	162,414	1,828,354
238,805	16,613	2,601	258,019
89,806	66,645	6,982	163,433
150,448	-	-	150,448
34,887	6,574	3,566	45,027
32,991	1,527	1,622	36,140
8,146	4,430	1,901	14,477
3,206	5,205	440	8,851
16,924	5,198	1,382	23,504
12,888	3,607	2,443	18,938
25	376	7,080	7,481
774	5,188	-	5,962
1,671	747	257	2,675
1,464	363	203	2,030
-	30	-	30
-	7,764	-	7,764
-	84	-	84
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2,037,118	345,208	190,891	2,573,217
198,844	23,624	67	222,535
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2,235,962	368,832	190,958	2,795,752
-	-	11,321	11,321
-	11,654	-	11,654
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<u>\$ 2,235,962</u>	<u>\$ 380,486</u>	<u>\$ 202,279</u>	<u>\$ 2,818,727</u>

YWCA NORTHEAST INDIANA, INC.
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2019 and 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 267,043	\$ (144,551)
Adjustments to reconcile change in net assets to cash flows from operating activities:		
Depreciation	257,284	222,535
Increase (decrease) in present value discount	(1,000)	(9,100)
Reinvested investment income - net of fees	(90,996)	(80,931)
Reinvested beneficial interest income - net of fees	(1,480)	(1,650)
Net (gain) loss on investments and beneficial interest	(545,117)	308,136
(Gain) loss on disposal of land, building and equipment	-	41,246
In-kind contribution of investments	-	(354,632)
In-kind contribution of land, building and equipment	-	(22,754)
Contribution of life insurance policy	-	(10,495)
Provision for bad debts	-	7,764
Change in assets and liabilities:		
(Increase) decrease in:		
Claims receivable	21,230	(122,021)
Contributions receivable	(7,338)	187,083
Prepaid expenses	8,159	(32,305)
Cash surrender value of life insurance	10,495	-
Increase (decrease) in:		
Accounts payable	7,431	(25,805)
Accrued expenses	16,384	59,917
	(57,905)	22,437
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	-	(26,745)
Proceeds from sale of investments	33,300	21,590
Purchase of land, building and equipment	(52,826)	(97,891)
Proceeds from sale of land, building and equipment	-	218,091
	(19,526)	115,045
CASH FLOWS FROM FINANCING ACTIVITIES		
Collection of contributions receivable - capital campaign	54,433	231,983
	(22,998)	369,465
INCREASE (DECREASE) IN CASH CASH EQUIVALENTS	(22,998)	369,465
CASH, CASH EQUIVALENTS AND RESTRICTED CASH - beginning of year	675,331	305,866
CASH, CASH EQUIVALENTS AND RESTRICTED CASH - end of year	\$ 652,333	\$ 675,331

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

YWCA NORTHEAST INDIANA, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2019 and 2018

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 strive to create opportunities for women's growth, leadership and power in order to attain peace, justice, freedom and dignity for all people.

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.

The YWCA also 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 is no effect on net assets in connection with the implementation of ASU 2018-08.

During 2018 the YWCA adopted ASU 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities (Topic 958)*. The standard addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The YWCA has adjusted the presentation of these statements accordingly. Due to the adoption of these new standards, in 2018 a reclassification was made to increase the net assets with donor restriction and decrease net assets without donor restriction for the reporting of unappropriated endowment earnings totaling \$11,234.

(continued)

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

During 2018 the YWCA also adopted ASU 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash*. The standard requires entities to include restricted cash and restricted cash equivalents with cash and cash equivalents when reconciling beginning-of-period and end-of-period total cash. The YWCA has adjusted the presentation of these statements accordingly.

Net Asset Classifications

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

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

(continued)

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

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.

Revenue and Revenue Recognition

The YWCA recognizes contributions 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. Program income 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	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 June 11, 2020, 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:

	2019	2018
Contributions receivable	\$ 290,888	\$ 337,983
Less unamortized present value discount (2.61%-3.32%)	<u>-</u>	<u>1,000</u>
Net contributions receivable	<u>\$ 290,888</u>	<u>\$ 336,983</u>
Amounts due in:		
Less than one year	\$ 290,888	\$ 306,483
One to five years	-	31,500
More than five years	<u>-</u>	<u>-</u>
	<u>\$ 290,888</u>	<u>\$ 337,983</u>

The YWCA has received notification of intentions to give in the amount of \$36,500 from the United Ways of Allen, DeKalb, Huntington, Noble and Wells counties. The expected funding is to be used for programs in 2020 and has not been recorded as an asset of the YWCA as of December 31, 2019.

3. LAND, BUILDINGS AND EQUIPMENT

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

	2019	2018
Land	\$ 41,065	\$ 41,065
Buildings and building improvements	4,491,689	4,491,689
Equipment	<u>872,598</u>	<u>819,772</u>
	5,405,352	5,352,526
Accumulated depreciation	<u>1,776,919</u>	<u>1,519,635</u>
	<u>\$ 3,628,433</u>	<u>\$ 3,832,891</u>

4. INVESTMENTS

Investments at December 31 are summarized as follows:

	2019	2018
Fixed income	\$ 1,020,413	\$ 917,478
Equities	2,448,958	1,916,786
Other	22,055	66,610
Real estate funds	<u>8,605</u>	<u>16,750</u>
	3,500,031	2,917,624
Cash and cash equivalents	<u>152,704</u>	<u>144,661</u>
	<u>\$ 3,652,735</u>	<u>\$ 3,062,285</u>

5. BENEFICIAL INTEREST

The beneficial interest totaling \$86,761 at December 31, 2019 and \$72,918 at December 31, 2018 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 \$39,750 at December 31, 2019 and \$33,417 at December 31, 2018, 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, 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)

Equities:		
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>

Fair value of assets and liabilities measured on a recurring basis at December 31, 2018 are as follows:

	Level 1	Level 3
Investments:		
Fixed income:		
Government obligations	\$ 14,687	\$ -
Corporate obligations	16,551	-
Domestic mutual funds	11,104	-
International mutual funds	49,888	-
Exchange - traded funds	168,753	-
Mutual funds - fixed income	656,495	-

(continued)

6. FAIR VALUE MEASUREMENT (continued)

Equities:		
Consumer discretionary	\$ 107,192	\$ -
Consumer staples	38,345	-
Energy	40,210	-
Financials	114,645	-
Health care	127,852	-
Industrials	79,314	-
Information technology	162,609	-
Materials	18,449	-
Real estate	11,411	-
Telecommunications services	64,583	-
Utilities	30,828	-
International equities	18,029	-
Domestic mutual funds	58,308	-
International mutual funds	66,454	-
Exchange - traded funds	440,811	-
Mutual funds - equity	537,746	-
Other	66,610	-
Real estate funds	16,750	-
Beneficial interest	<u>-</u>	<u>72,918</u>
	<u>\$ 2,917,624</u>	<u>\$ 72,918</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	
	2019	2018
Balance – beginning of year	\$ 72,918	\$ 76,974
Contributions	-	-
Total gains and losses included in earnings:		
Interest and dividends	2,416	2,723
Unrealized gain/(loss)	9,670	(6,784)
Realized gain/(loss)	2,693	1,077
Investment fees	<u>(936)</u>	<u>(1,072)</u>
	13,843	(4,056)
Disbursements	<u>-</u>	<u>-</u>
Balance – end of year	<u>\$ 86,761</u>	<u>\$ 72,918</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 the greater of .25% above the prime rate or 4.0% (4.75% at December 31, 2019). The authorization is secured by real estate. No amount was outstanding as of December 31, 2019 and 2018.

8. 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 \$29,344 for 2019 and \$29,712 for 2018.

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 \$18,418 in 2019.

9. IN-KIND CONTRIBUTIONS

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

	2019	2018
Program services:		
Supplies and program expense	\$ 2,289	\$ 7,807
Life insurance policy	-	10,495
Land, building and equipment	-	22,754
Investments	<u>-</u>	<u>354,632</u>
Total in-kind contributions	<u>\$ 2,289</u>	<u>\$ 395,688</u>

10. NET ASSETS

Net assets with donor restrictions are restricted as follows:

	2019	2018
Subject to time requirements:		
Contributions receivable	\$ 10,000	\$ 165,000
Unappropriated endowment earnings	<u>785,111</u>	<u>596,923</u>
Total subject to time requirements	795,111	761,923
Subject to purpose requirements:		
Board development	-	17,000
Capital improvement and replacement	-	16,185
Staff development	9,167	10,000
Human services	148,000	99,999
Hope House operations	<u>101,000</u>	<u>76,000</u>
Total subject to purpose requirements	258,167	219,184
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>\$ 1,563,355</u>	<u>\$ 1,491,184</u>

Net assets without donor restrictions are as follows:

	2019	2018
Undesignated	\$ 4,525,969	\$ 4,733,359
Board designated – operating reserve	<u>2,357,547</u>	<u>1,955,285</u>
	<u>\$ 6,883,516</u>	<u>\$ 6,688,644</u>

(continued)

10. NET ASSETS (continued)

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:

	2019	2018
Time requirements	\$ 165,000	\$ 158,500
Programming requirements	569,374	472,634
Board development	17,000	-
Staff development	833	-
Capital improvements	17,185	33,921
Endowment	<u>33,300</u>	<u>21,590</u>
Net assets released from restrictions	<u>\$ 802,692</u>	<u>\$ 686,645</u>

11. RELATED PARTIES

The YWCA purchased consulting services totaling \$3,900 in 2019 and \$500 in 2018 from a company owned by a member of its Board of Directors.

12. 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.

(continued)

12. ENDOWMENT (continued)

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

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

	Donor Restricted Endowment	
	2019	2018
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>785,111</u>	<u>596,923</u>
	<u>\$ 1,295,188</u>	<u>\$ 1,107,000</u>

(continued)

12. **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	-	221,489	221,489
Appropriation of endowment fund assets for expenditure	-	(33,301)	(33,301)
Endowment net assets - end of year	<u>\$ -</u>	<u>\$ 1,295,188</u>	<u>\$ 1,295,188</u>

Changes in Endowment Fund Net Assets for the Year Ended December 31, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment fund net assets -			
beginning of year	\$ 11,234	\$ 794,953	\$ 806,187
Contributions	-	381,380	381,380
Investment return:			
Investment income	-	29,353	29,353
Net appreciation (depreciation) - realized and unrealized	-	(81,306)	(81,306)
Fees	-	(7,024)	(7,024)
Total investment return	-	(58,977)	(58,977)
Appropriation of endowment fund assets for expenditure	-	(21,590)	(21,590)
Reclassification	(11,234)	11,234	-
Endowment net assets - end of year	<u>\$ -</u>	<u>\$ 1,107,000</u>	<u>\$ 1,107,000</u>

(continued)

12. ENDOWMENT (continued)

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.

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.

13. ADVERTISING COSTS

Advertising costs are charged to operations when incurred. The cost of advertising charged to operations was \$16,390 in 2019 and \$948 in 2018.

14. CREDIT RISKS, CONCENTRATIONS AND CONTINGENCIES

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

(continued)

14. CREDIT RISKS, CONCENTRATIONS AND CONTINGENCIES (continued)

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, 2019, deposits in excess of the insured amount totaled \$409,148.

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.

15. 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 \$137,822 for the year ended December 31, 2019 and \$61,986 for the year ended December 31, 2018.

Minimum future rental payments under noncancelable operating leases having initial or remaining terms in excess of one year as of December 31, 2019 for each of the next five years and in the aggregate are:

2020	\$ 131,848
2021	126,848
2022	10,489
2023	1,131
2024 and thereafter	<u>754</u>
	<u>\$ 271,070</u>

Additionally, the YWCA rents office equipment on a month-to-month basis. Total rental expense under cancelable operating leases was \$420 for 2019 and \$420 for 2018.

16. STATEMENT OF CASH FLOWS SUPPLEMENTAL DISCLOSURES

Noncash investing and financing activity includes in-kind contribution of land, building and equipment totaling \$22,754 in 2018. Also, the YWCA received in-kind investments totaling \$354,632 in 2018.

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported in the statement of financial position that sum to the total of the same such amounts shown in the statement of cash flows.

	2019	2018
Cash and cash equivalents	\$ 652,333	\$ 659,146
Cash restricted for purchase of equipment	<u>-</u>	<u>16,185</u>
Total cash, cash equivalents and restricted cash	<u>\$ 652,333</u>	<u>\$ 675,331</u>

17. SUBSEQUENT EVENTS

The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of multiple types of companies and organizations. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings. Therefore, the YWCA expects this matter to negatively impact its operating results. However, the related financial impact and duration cannot be reasonably estimated at this time.

18. AVAILABILITY AND LIQUIDITY

The following represents YWCA Northeast Indiana, Inc.'s financial assets at December 31, 2019 and 2018:

Financial assets at year-end:	2019	2018
Cash, cash equivalents and restricted cash	\$ 652,333	\$ 675,331
Claims receivable	318,245	339,475
Contributions receivable	259,888	252,550
Contributions receivable – capital campaign	31,000	84,433
Investments	3,652,735	3,062,285
Beneficial interest	<u>86,761</u>	<u>72,918</u>
Total financial assets	5,000,962	4,486,992

(continued)

18. AVAILABILITY AND LIQUIDITY (continued)

Less amounts not available to be used within one year:

Permanent endowment	\$ 510,077	\$ 510,077
Unappropriated endowment	785,111	596,923
Time – capital campaign	-	31,500
Purchase requirements	-	16,185
Board and staff development	9,167	27,000
Board designated net assets	<u>2,357,547</u>	<u>1,955,285</u>
Total assets not to be used in one year	<u>3,661,902</u>	<u>3,136,970</u>
Financial assets available to meet general expenditures within one year	<u>\$ 1,339,060</u>	<u>\$ 1,350,022</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.

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
Professional fees	21,229	93,017	5,201	4,183
Client welfare	60,320	81,038	481	-
Equipment expense	21,700	19,854	3,421	183
Travel expense	4,510	6,621	17,005	-
Staff training and meeting	8,366	4,083	1,201	63
Printing and publicity	6,243	7,360	1,402	180
Communications	3,222	6,590	1,837	-
Supplies and program expense	3,470	5,305	749	323
Miscellaneous	2	7,040	-	-
Membership dues	832	1,311	173	12
Postage	518	392	94	7
Marketing	-	1,394	-	-
	<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><u>\$ 1,065,443</u></u>	<u><u>\$ 1,172,735</u></u>	<u><u>\$ 204,745</u></u>	<u><u>\$ 18,071</u></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
148,309	101,713	48,389	97,043	1,956,846
2,982	4,749	13,339	2,524	290,180
3,317	2,062	1,609	2,344	132,962
18,868	4	3,657	-	164,368
2,807	2,409	640	727	51,741
5,986	4,479	1,049	277	39,927
1,717	971	864	591	17,856
342	2,875	249	187	18,838
732	952	88	1,330	14,751
421	272	792	161	11,493
-	-	621	-	7,663
149	93	1,117	723	4,410
83	54	113	36	1,297
-	-	-	-	1,394
185,713	120,633	72,527	105,943	2,713,726
141	562	-	-	232,787
<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 PROGRAM SERVICES EXPENSES
Year Ended December 31, 2018

	Shelter for Victims of Domestic Violence	Hope and Harriett House	Outreach	Racial Justice
Salaries	\$ 491,541	\$ 382,312	\$ 108,475	\$ 16,968
Employee health and retirement benefits	47,794	45,889	11,993	1,780
Payroll taxes	44,787	32,911	10,417	1,392
	<hr/>	<hr/>	<hr/>	<hr/>
Total Salaries and Related Expenses	584,122	461,112	130,885	20,140
Occupancy	98,170	120,070	8,030	385
Professional fees	22,252	54,382	5,845	914
Client welfare	85,150	60,941	3,135	-
Equipment expense	17,500	10,596	3,087	432
Travel expense	3,818	6,992	14,613	4
Staff training and meeting	2,184	4,182	561	35
Printing and publicity	150	876	180	-
Communications	5,309	5,851	2,591	272
Supplies and program expense	2,461	2,521	5,277	37
Special events	-	-	-	-
Miscellaneous	-	169	-	-
Membership dues	476	581	113	14
Postage	702	367	195	15
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenses Before Depreciation	822,294	728,640	174,512	22,248
Depreciation	153,394	42,369	2,763	11
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenses	<u>\$ 975,688</u>	<u>\$ 771,009</u>	<u>\$ 177,275</u>	<u>\$ 22,259</u>

See independent auditors' report.

Steps to Success	Education	Dress for Success	REACT	2018
\$ 27,317	\$ 114,719	\$ 19,492	\$ 51,087	\$ 1,211,911
2,692	11,780	240	4,690	126,858
2,183	9,531	1,544	3,549	106,314
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
32,192	136,030	21,276	59,326	1,445,083
664	5,272	5,573	641	238,805
847	3,857	351	1,358	89,806
1,222	-	-	-	150,448
490	2,681	100	1	34,887
1,491	4,941	256	876	32,991
71	639	141	333	8,146
46	1,644	264	46	3,206
332	1,544	462	563	16,924
1,834	313	427	18	12,888
-	25	-	-	25
-	-	605	-	774
44	79	52	312	1,671
9	144	32	-	1,464
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
39,242	157,169	29,539	63,474	2,037,118
229	78	-	-	198,844
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<u>\$ 39,471</u>	<u>\$ 157,247</u>	<u>\$ 29,539</u>	<u>\$ 63,474</u>	<u>\$ 2,235,962</u>

YWCA NORTHEAST INDIANA, INC.
SCHEDULE OF GOVERNMENT FUNDS RECEIVED
Year Ended December 31, 2019

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	\$ 81,398
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	99,150
Social Services Block Grant	93.667	21,001
U.S. Department of Justice:		
Passed through Indiana Criminal Justice Institute:		
Crime Victim Assistance	16.575	352,815
Violence Against Women Formal Grants	16.588	17,434
State Grants		
Indiana Criminal Justice Institute:		
Domestic Violence Prevention and Treatment	N/A	<u>185,826</u>
Total Government Grants		757,624
Government Contracts		
Indiana Department of Child Services	N/A	<u>1,024,882</u>
Total Government Funds Received		<u><u>\$ 1,782,506</u></u>

See independent auditors' report.

