



YWCA OF CENTRAL VIRGINIA

**Financial Statements
For the years ended
June 30, 2020 and 2019**

Not-for-Profit Corporation
501(c)(3)





YWCA OF CENTRAL VIRGINIA

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Report of Independent Auditors

Board of Directors
YWCA of Central Virginia
Lynchburg, Virginia

Report on the Financial Statements

We have audited the accompanying financial statements of YWCA of Central Virginia (the "Association"), a Virginia corporation, which comprise the statements of financial position as of June 30, 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 control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of the 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 positions of YWCA of Central Virginia as of June 30, 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.

Lynchburg, Virginia
January 25, 2021





YWCA OF CENTRAL VIRGINIA
Statements of Financial Position
As of June 30, 2020 and 2019

	Assets	
	2020	2019
Current Assets		
Cash	\$ 680,812	\$ 330,999
Accounts receivable	3,424	1,256
United Way allocation receivable	133,696	134,812
Grants receivable	71,734	195,927
Investments	575,258	595,090
Prepaid expenses	11,906	17,302
Inventory	17,570	17,891
Total current assets	1,494,400	1,888,367
Property and Equipment		
Land and improvements	53,265	53,265
Buildings and improvements	1,675,601	1,643,302
Furniture, fixtures, and equipment	344,520	328,077
Vehicles	3,050	3,050
	2,090,436	2,027,694
Less accumulated depreciation	1,237,876	1,178,720
Net property and equipment	852,560	848,974
Other assets		
Beneficial interest in assets	14,224	14,791
Total other assets	14,224	14,791
Total Assets	\$ 2,361,184	\$ 2,157,042
	Liabilities and Net Assets	
Current Liabilities		
Accounts payable	\$ 14,220	\$ 12,996
Accrued expenses and payroll withholdings	54,847	15,568
Deferred rental income	2,863	1,256
Residents' security deposits	281	281
Sales tax payable	574	762
SBA loan- current	95,569	-
Total current liabilities	168,354	30,863
Long-term Liabilities		
SBA loan- long-term	116,707	-
Total long-term liabilities	116,707	-
Total Liabilities	285,061	30,863
Net Assets		
Without donor restrictions		
Undesignated	1,351,229	1,350,283
Board designated	589,481	609,881
Without donor restrictions total	1,940,710	1,960,164
With donor restrictions	135,413	166,015
Total net assets	2,076,123	2,126,179
Total liabilities and net assets	\$ 2,361,184	\$ 2,157,042



YWCA OF CENTRAL VIRGINIA
Statement of Activities
Year ended June 30, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Public Support			
Government and foundation grants	\$ 1,052,556	\$ 11,015	\$ 1,063,571
In-kind donations	246,508	-	246,508
United Way of Central Virginia, Inc.	-	133,913	133,913
Contributions	<u>44,423</u>	<u>-</u>	<u>44,423</u>
Total Public Support	<u>1,343,487</u>	<u>144,928</u>	<u>1,488,415</u>
Revenues			
Bridal shop revenue	211,828	-	211,828
Rental income	108,281	-	108,281
Fundraising income	24,651	-	24,651
Net realized/unrealized loss on investments	(8,754)	-	(8,754)
Visitation center	6,872	-	6,872
Investment income, net	14,131	-	14,131
Miscellaneous	<u>224</u>	<u>-</u>	<u>224</u>
Total Revenues	<u>357,233</u>	<u>-</u>	<u>357,233</u>
Net assets released from restrictions	<u>175,530</u>	(<u>175,530</u>)	<u>-</u>
Total Public Support and Revenues	<u>1,876,250</u>	(<u>30,602</u>)	<u>1,845,648</u>
Expenses			
Program services			
Residence	233,084	-	233,084
Domestic violence prevention	816,247	-	816,247
Sexual assault response program	<u>359,530</u>	<u>-</u>	<u>359,530</u>
	1,408,861	-	1,408,861
Management and general	147,041	-	147,041
Fundraising	<u>339,802</u>	<u>-</u>	<u>339,802</u>
Total Expenses	<u>1,895,704</u>	<u>-</u>	<u>1,895,704</u>
Net increase (decrease) in net assets	(19,454)	(30,602)	(50,056)
Net assets at beginning of year	<u>1,960,164</u>	<u>166,015</u>	<u>2,126,179</u>
Net assets at end of year	\$ <u><u>1,940,710</u></u>	\$ <u><u>135,413</u></u>	\$ <u><u>2,076,123</u></u>

See notes to financial statements.





YWCA OF CENTRAL VIRGINIA
Statement of Activities
Year ended June 30, 2019

	<u>Without Donor</u> <u>Restrictions</u>	<u>With Donor</u> <u>Restrictions</u>	<u>Total</u>
Public Support			
Government and foundation grants	\$ 962,838	\$ 51,737	\$ 1,014,575
In-kind rent and donations	232,733	-	232,733
United Way of Central Virginia, Inc.	-	134,778	134,778
Contributions	<u>45,810</u>	<u>-</u>	<u>45,810</u>
Total Public Support	<u>1,241,381</u>	<u>186,515</u>	<u>1,427,896</u>
Revenues			
Bridal shop revenue	232,799	-	232,799
Rental income	85,818	-	85,818
Fundraising income	16,123	27,062	43,185
Net realized/unrealized gain on investments	18,543	-	18,543
Visitation center	10,501	-	10,501
Investment income, net	12,806	-	12,806
Miscellaneous	<u>1,650</u>	<u>-</u>	<u>1,650</u>
Total Revenues	<u>378,240</u>	<u>27,062</u>	<u>405,302</u>
Net assets released from restrictions	<u>199,985</u>	<u>(199,985)</u>	<u>-</u>
Total Public Support and Revenue	<u>1,819,606</u>	<u>13,592</u>	<u>1,833,198</u>
Expenses			
Program services			
Residence	484,827	-	484,827
Domestic violence prevention	453,377	-	453,377
Mentoring	97,323	-	97,323
Sexual assault response program	<u>356,581</u>	<u>-</u>	<u>356,581</u>
	1,392,108	-	1,392,108
Management and general	63,065	-	63,065
Fundraising	<u>384,303</u>	<u>-</u>	<u>384,303</u>
Total Expenses	<u>1,839,476</u>	<u>-</u>	<u>1,839,476</u>
Net increase (decrease) in net assets	<u>(19,870)</u>	<u>13,592</u>	<u>(6,278)</u>
Net assets at beginning of year	<u>1,980,034</u>	<u>152,423</u>	<u>2,132,457</u>
Net assets at end of year	<u>\$ 1,960,164</u>	<u>\$ 166,015</u>	<u>\$ 2,126,179</u>

See notes to financial statements





YWCA OF CENTRAL VIRGINIA
Statement of Functional Expenses
Year ended June 30, 2020

	Residence	Domestic Violence Prevention	SARP	Total Program Services	Administrative and General	Fundraising	Total
Salaries and wages	\$ 127,800	\$ 445,599	\$ 230,289	\$ 803,688	\$ 55,412	\$ 72,734	\$ 931,834
Employee benefits	3,403	61,801	32,647	97,851	24,860	9,600	132,311
Payroll taxes	6,563	32,878	16,1510	55,591	4,930	5,580	66,101
Total salaries, wages, and related benefits	<u>137,766</u>	<u>540,278</u>	<u>279,086</u>	<u>957,130</u>	<u>85,202</u>	<u>87,914</u>	<u>1,130,246</u>
Cost of goods sold - donated goods	-	-	-	-	-	211,828	211,828
Supplies	14,763	41,153	5,476	61,392	11,098	1,780	74,720
Assistance to individuals	2,564	64,554	1,321	68,439	-	-	68,439
Travel and meetings	879	26,482	21,425	48,786	8,983	3,367	61,136
Utilities	33,097	11,390	-	44,487	4,079	-	48,566
Insurance	6,625	24,828	10,131	41,584	1,185	-	42,769
Repairs and maintenance	15,799	19,464	-	35,263	1,911	1,541	38,715
Professional fees	3,247	5,747	2,730	11,724	14,991	6,750	33,465
Telephone	6,251	12,299	4,945	23,495	1,417	199	25,111
Consultant / contractor	1,119	12,511	4,580	18,210	4,070	687	22,967
Fundraising	-	19	-	19	1,589	12,010	13,618
Program services	216	4,322	3,213	7,751	38	1,438	9,227
Advertising	-	5,086	1,750	6,836	1,070	1,072	8,978
Subscriptions and fees	520	4,888	1,000	6,408	1,023	1,101	8,532
Postage	-	331	511	842	1,493	5,832	8,167
Equipment rental	411	2,499	2,266	5,176	2,329	470	7,975
Dues to YWCA USA	1,247	3,959	1,906	7,112	220	-	7,332
Printing	-	772	3,040	3,812	785	982	5,579
Miscellaneous	101	617	580	1,298	4,017	175	5,490
Computer expense	126	2,518	1,284	3,928	210	-	4,138
Total expenses before depreciation	<u>224,731</u>	<u>783,717</u>	<u>345,244</u>	<u>1,336,392</u>	<u>145,710</u>	<u>337,146</u>	<u>1,836,998</u>
Depreciation	<u>8,353</u>	<u>32,530</u>	<u>14,286</u>	<u>55,169</u>	<u>1,331</u>	<u>2,656</u>	<u>59,156</u>
Total expenses	\$ <u>233,084</u>	\$ <u>816,247</u>	\$ <u>359,530</u>	\$ <u>1,408,861</u>	\$ <u>147,041</u>	\$ <u>339,802</u>	\$ <u>1,895,704</u>

See notes to financial statements.



YWCA OF CENTRAL VIRGINIA
Statement of Functional Expenses
Year ended June 30, 2019

	<u>Residence</u>	<u>Domestic Violence Prevention</u>	<u>Mentoring</u>	<u>SARP</u>	<u>Total Program Services</u>	<u>Administrative and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and wages	\$ 290,729	\$ 248,700	\$ 74,537	\$ 226,157	\$ 840,123	\$ 39,426	\$ 87,967	\$ 967,516
Employee benefits	47,355	40,509	12,141	36,837	136,842	6,422	14,328	157,592
Payroll taxes	21,596	18,474	5,537	16,799	62,406	2,929	6,534	71,869
Total salaries, wages, and related benefits	359,680	307,683	92,215	279,793	1,039,371	48,777	108,829	1,196,977
Cost of goods sold in bridal shop	-	-	-	-	-	-	253,937	253,937
Utilities	28,467	14,116	234	-	42,817	2,009	4,483	49,309
Travel and meeting	10,169	19,077	150	12,801	42,197	1,980	4,418	48,595
Insurance	1,580	22,087	1,227	10,634	35,528	1,667	3,720	40,915
Repairs and maintenance	25,496	6,380	206	4,215	36,297	-	-	36,297
Professional fees	6,529	10,113	581	5,097	22,320	4,506	-	26,826
Telephone	4,555	11,896	46	5,679	22,176	1,041	2,322	25,539
Supplies	6,372	7,233	9	2,932	16,546	776	1,732	19,054
Program services	6,510	3,633	145	5,242	15,530	-	-	15,530
Dues to YWCA of the U.S.A.	1,996	6,340	352	3,052	11,740	-	-	11,740
Miscellaneous	7,637	1,711	39	555	9,942	467	1,041	11,450
Consultants and contractors	3,518	1,673	-	2,882	8,073	-	-	8,073
Fundraising expenses	7,041	-	-	-	7,041	-	-	7,041
Assistance to individuals	726	5,299	-	531	6,556	-	-	6,556
Equipment rental	1,384	2,080	-	2,126	5,590	262	585	6,437
Advertising	179	3,007	-	3,162	6,348	-	-	6,348
Subscriptions and fees	1,710	2,007	127	1,054	4,898	230	513	5,641
Printing	2,513	498	-	2,481	5,492	-	-	5,492
Postage	1,017	356	5	1,093	2,471	116	259	2,846
Total expenses before depreciation	477,079	425,189	95,336	343,329	1,340,933	61,831	381,839	1,784,603
Depreciation	7,748	28,188	1,987	13,252	51,175	1,234	2,464	54,873
Total expenses	\$ <u>484,827</u>	\$ <u>453,377</u>	\$ <u>97,323</u>	\$ <u>356,581</u>	\$ <u>1,392,108</u>	\$ <u>63,065</u>	\$ <u>384,303</u>	\$ <u>1,839,476</u>

See notes to financial statements.



YWCA OF CENTRAL VIRGINIA
Statements of Cash Flows
Years ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cash Flows from Operating Activities		
Net decrease in net assets	\$ (50,056)	\$ (6,278)
Adjustments to reconcile net increase in net assets to cash provided by operating activities:		
Depreciation and amortization	59,156	54,873
Unrealized gain (loss) on sale of investments	9,363	(18,798)
Realized gain (loss) on investments	(609)	255
Decrease (increase) in:		
Accounts receivable	(2,169)	(230)
United Way allocation receivable	1,116	750
Grants receivable	124,193	(142,036)
Inventory	321	(1,452)
Prepaid expenses	5,396	(5,235)
Increase (decrease) in:		
Accounts payable	1,224	6,796
Accrued vacation	(6,529)	(8,192)
Accrued payroll	47,331	-
Deferred rental income	1,608	1,090
Payroll withholdings	(5,502)	4,749
Sales tax payable	(188)	69
Net cash provided by (used for) operating activities	<u>184,655</u>	<u>(113,639)</u>
Cash Flows from Investing Activities		
Proceeds from sales of investments	609	1,120
Distributions from investments	24,707	666
Purchases of investments	(9,692)	(13,654)
Purchases of property and equipment	(62,742)	(70,292)
Net cash used for investing activities	<u>(47,118)</u>	<u>(82,160)</u>
Cash Flows from Financing Activities		
Proceeds from SBA PPP loan payable	<u>212,276</u>	<u>-</u>
Net cash provided by financing activities	<u>212,276</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	349,813	(195,799)
Cash and cash equivalents at beginning of the year	<u>330,999</u>	<u>526,798</u>
Cash and cash equivalents at end of the year	\$ <u><u>680,812</u></u>	\$ <u><u>330,999</u></u>



YWCA OF CENTRAL VIRGINIA
Notes to Financial Statements
June 30, 2020 and 2019

Note 1 - Nature of Organization

The YWCA of Central Virginia (the "Association") is a non-stock not-for-profit corporation incorporated in the Commonwealth of Virginia. The primary purpose of the Association is the improvement of the spiritual, mental, social, and physical condition of women in the central Virginia area. The Association's name was legally changed August 3, 1999 from The Young Women's Christian Association of Lynchburg.

The following are the Association's major programs and a brief description of each:

Residence – This program provides safe and affordable housing for women, including transitional shelter for the homeless.

Domestic Violence Prevention Center (DVPC) – This program provides safe refuge for women and children escaping violent homes through our two shelters. Service includes Emergency Shelter and Food, 24-hour staff, on-site and 24-hour hotline, support groups, case management, advocacy and community education.

Ygyrl – The Ygyrl Leaders program for teen girls focuses on helping girls meet the challenges before them in the 21st century. Through positive community role models and experiential learning girls develop; healthy social values, personal responsibility, good citizenship, and educational and cultural growth. Partnering with various organizations provides a wide range of opportunities. "Ygyrl Drumming 4 Leadership" curriculum now impacts women of all ages and children six and up in our community.

Visitation – Children are provided a safe, child-focused environment in which to visit with noncustodial parents or grandparents. The visits can be court ordered and monitored to ensure the safety and well-being of the children.

Sexual assault response program – This program provides services to survivors of sexual violence: maintaining and answering a telephone hotline, offering emergency room accompaniment, leading support groups, meeting with victims, and providing referrals.

Note 2 - Significant Accounting Policies

Basis of Accounting

The financial statements of the Association are prepared under the accrual method of accounting in accordance with generally accepted accounting principles in the United States.

Basis of financial statement presentation

The Association's financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Net Assets

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

Net Assets Without Donor Restrictions- Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board may designate, from net assets without donor restrictions, net assets for an operating reserve.

Net Assets With Donor Restrictions- Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature where the donor stipulates that the resources be maintained in perpetuity. Donor imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.



YWCA OF CENTRAL VIRGINIA
Notes to Financial Statements
June 30, 2020 and 2019



Note 2 - Significant Accounting Policies (continued)

Revenue and Revenue Recognition

The Association recognizes revenue from rental fees and bridal shop during the year. The performance obligation of renting the facility or purchases dresses is simultaneously received and consumed by the individuals, therefore, the revenue is recognized ratably over the course of the fiscal year. All amounts received prior to the commencement of the fiscal year are deferred to the applicable period.

The Association recognized contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest 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 of which they depend have been met.

The Association accounts for contributions in accordance with Accounting Standards Codification (ASC) 958, Not-for-Profit Entities. In accordance with ASC 958, contributions received are recorded as with or without donor restriction support depending on the existence and/or nature of any donor restrictions.

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

Gifts of property and equipment are presented as without donor restriction support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash and other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Association reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Contributions are recorded as of the date cash or unconditional promises to give are received. Contributions other than cash are recorded at the estimated fair market values on the date of the contribution.

Promises to give

Unconditional promises to give are recognized as contribution revenue in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Promises to give are recorded at net realizable value if expected to be collected in one year and at fair value if expected to be collected in more than one year. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, money markets, and other short-term liquid investments. Money markets used for operations and not donor restricted are also included in cash and cash equivalents. Money markets with donor restrictions and board designations are included in investments.

Investments

The Association reports investments in equity securities with readily determinable fair values and debt securities at fair value in the statement of financial position and any related realized and unrealized gains and losses are reported in the statement of activities. Other investments are recorded at cost.

Accounts Receivable

Accounts receivable consists of grants and pledges receivable. Management reviews receivables on an on-going basis to determine collectability. An allowance is established if needed but historical collections do not currently warrant an allowance.



YWCA OF CENTRAL VIRGINIA
Notes to Financial Statements
June 30, 2020 and 2019



Note 2 - Significant Accounting Policies (continued)

Property and Equipment

Property and equipment is stated at cost for purchased items and at estimated fair market value at the date received for donated items. Depreciation is computed by the straight-line method over the estimated useful lives of the various classes of property as follows:

<u>Classification</u>	<u>Estimated Useful Life</u>
Buildings	40 years
Building Improvements	5-10 years
Equipment	3-7 years

Expenses for maintenance and repairs are charged against revenues in the year the cost is incurred. Expenditures for additions and major improvements are capitalized and depreciated. Cost and accumulated depreciation are removed from the accounts for property sold or retired, and any resulting gain or loss is included in the statement of activities.

Deferred Income

Deferred income represents rental income that has been collected but which are attributable to future periods. Revenue is deferred and recognized in the period earned.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income taxes

No provision for income taxes has been made in the financial statements because the Association is a not-for-profit corporation as described in Section 501 (c)(3) of the Internal Revenue Code (IRC) and is exempt from federal income taxes on related income pursuant to Section 501(a) of the IRC. The Association has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) of the IRC.

The Financial Accounting Standards Board ASC 740-10 prescribes a comprehensive model for how an organization should measure, recognize, present, and disclose in its financial statements uncertain tax positions that an organization has taken or expects to take on a tax return. The Association has analyzed tax positions taken for filing with the Internal Revenue Service and all state jurisdictions where it operates. The Association believes that income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse affect on the Association’s financial condition, results of operations or cash flows. Accordingly, the Association has not recorded any reserves, or related accruals for interest and penalties for uncertain income tax positions at June 30, 2020. Fiscal years ending on or after June 30, 2017 remain subject to examination by federal and state tax authorities.

Functional Expenses

The costs of providing the Association’s various programs and supporting services have been summarized on a functional basis in the accompanying statement of functional expenses. The functional expenses of the various programs and supporting services include those costs directly attributable to the specific program as well as an allocation of supporting service expenditures, which, in the estimation of management, are indirectly attributable to the programs.

Advertising

Advertising costs are expensed as they are incurred.

New accounting pronouncements

In September 2020, FASB issued ASU No. 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958)*. The amendments are effective for annual periods beginning after June 15, 2021. The amendments are to increase the transparency of contributed nonfinancial assets through enhancements to presentation and disclosure. Early implementation is permitted.





YWCA OF CENTRAL VIRGINIA
Notes to Financial Statements
June 30, 2020 and 2019

New accounting pronouncements (continued)

In May 2014, FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*. The new standard is effective for annual financial statements issued for fiscal years beginning after December 15, 2018. The ASU and all subsequently issued clarifying ASUs replaced most existing revenue recognition guidance in U.S. GAAP. The ASU also required expanded disclosures relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The School adopted the new standard effective July 1, 2019, the first day of the School's fiscal year using the modified retrospective approach. The adoption did not have an effect on beginning net assets.

On August 18, 2016, FASB issued ASU No. 2016-14, *Presentation of Financial Statements for Not-for-Profit Entities (Topic 958)*. The new standards are effective for annual financial statements issued for fiscal years beginning after December 15, 2017. Early application of the amendments in the ASU is permitted. The ASU, which is the first phase of a two-phase project, makes significant changes in seven areas: net asset classes, liquidity and availability of resources, classification and disclosure of underwater endowment funds, expense reporting, statement of cash flows, investment return, and release of restrictions on capital assets. The Association has adopted ASU No. 2016-14.

On June 21, 2018, FASB also issued ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 958)*. The new standards are effective for financial statements for years beginning after December 15, 2019. The ASU was issued to clarify and improve the scope and the accounting guidance for contributions received and contributions made, to assist in determining if transactions are contributions or exchange transactions, and to help determine whether a contribution is conditional.

Note 3 – Cash Balances

The Association maintains its cash balances at several financial institutions. The accounts at the financial institutions are insured by the Federal Deposit Insurance Corporation up to \$250,000 at June 30, 2020. At times the cash balances may exceed \$250,000. Management does not believe that there is a risk of loss based on the history of the accounts.

Note 4 - Property and depreciation

A summary of depreciation expense for the year ended June 30, 2020 and accumulated depreciation at June 30, 2020 is as follows:

	Accumulated Depreciation 2020	Depreciation Expense 2020
Buildings	\$ 322,706	\$ 8,390
Furniture and fixtures	62,270	6,885
Transportation	3,050	-
Equipment	167,066	11,672
Software	13,674	-
Leasehold improvements	655,110	32,209
Construction in progress	14,000	-
	<u>\$ 1,237,876</u>	<u>\$ 59,156</u>

A summary of depreciation expense for the year ended June 30, 2019 and accumulated depreciation at June 30, 2019 is as follows:

	Accumulated Depreciation 2019	Depreciation Expense 2019
Buildings	\$ 314,316	\$ 8,390
Furniture and fixtures	55,385	6,414
Transportation	3,050	96
Equipment	155,394	10,826
Software	13,674	-
Leasehold improvements	636,901	29,147
	<u>\$ 1,178,720</u>	<u>\$ 54,873</u>





YWCA OF CENTRAL VIRGINIA
Notes to Financial Statements
June 30, 2020 and 2019

Note 5 – Fair Value of Assets and Liabilities

The Association has adopted FASB ASC 820, *Fair Value Measurements*. FASB ASC 820 defines fair value as the amount that would be received from the sale of an asset or paid for the transfer of a liability in an orderly transaction between market participants at the measurement date. FASB ASC 820 establishes a hierarchy for disclosing assets and liabilities measured at fair value based on the inputs used to value them. The fair value hierarchy maximizes the use of observable inputs and minimizes the use of unobservable inputs. Observable inputs are based on market pricing data obtained from sources independent of the Association. Unobservable inputs reflect management’s judgment about the assumptions market participants would use in pricing the asset or liability. The fair value hierarchy includes three levels based on the objectivity of the inputs as follows:

- Level 1 inputs are quoted prices in active markets as of the measurement date for identical assets and liabilities that the Association has the ability to access. This category includes exchange-traded mutual funds and equity securities.
- Level 2 inputs are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates or yield curves, that are observable at commonly quoted intervals. This category includes mortgage-backed securities, asset-backed securities, corporate debt securities, certificates of deposit, commercial paper, U.S. agency and municipal debt securities, U.S. Treasury securities and derivative contracts.
- Level 3 inputs are unobservable inputs for the asset or liability, and include situations where there is little, if any, market activity for the asset or liability. The measurements are highly subjective. The privately held stock has been valued based on a discounted income approach.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2020 and 2019.

Cash & Money Market Funds – Valued at fair market value.

Mutual Funds – Valued at quoted market values of the shares held by the Association at year-end.

Equities – Valued at quoted market values of the shares held by the Association at year-end.

Beneficial interest in assets – Valued based on the net asset value of the account of which the underlying assets are traded in the open market.

	Fair Value Measurement Using:			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total at Fair Value
June 30, 2020				
Cash and money market funds	\$ 38,706	\$ -	\$ -	\$ 38,706
Mutual funds	26,274	-	-	26,274
Equities	510,278	-	-	510,278
Beneficial interest in assets	-	14,224	-	14,224
Total	\$ 575,258	\$ 14,224	\$ -	\$ 589,482

	Fair Value Measurement Using:			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total at Fair Value
June 30, 2019				
Cash and money market funds	\$ 50,416	\$ -	\$ -	\$ 50,416
Mutual funds	24,748	-	-	24,748
Equities	519,926	-	-	519,926
Beneficial interest in assets	-	14,791	-	14,791
Total	\$ 595,090	\$ 14,791	\$ -	\$ 609,881



YWCA OF CENTRAL VIRGINIA
Notes to Financial Statements
June 30, 2020 and 2019



Note 6 - Endowment fund

The Association has sole authority for the receipt management and investment of all endowment funds. The endowment fund consists of one Board Designated fund. As required by GAAP, 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 responsibility for investment of all endowment funds of the Association is solely the responsibility of the Board of Directors. The interpretation by the Board of Directors of relevant law is stated as follows:

The Uniform Prudent Management of Institutional Funds Act (UPMIFA) as enacted by the Commonwealth of Virginia applies to all the endowment funds unless the donor has specifically directed otherwise. The Board of Directors interprets 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 restrictions to the contrary. As a result of this interpretation, the Board of Directors classifies as permanently restricted net assets (a) the original value of the 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 in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Association in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Board of Directors considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

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

The Board of Directors considers the effect of inflation and deflation on the original gift value from the effective date of UPMIFA, July 1, 2009, or the gift date, whichever is later. Endowment funds are appropriated as of the date of disbursement from the invested asset.

Spending Policy

The responsibility for investment of all institutional funds is solely the responsibility of the Board of Directors. The Principal of this Endowment, and any accumulated income thereon, may be used, borrowed or pledged for such purposes and in such amounts as the Board may designate from time to time.

Return Objectives and Risk Parameters

The responsibility for investment of all endowment funds of the Association is solely the responsibility of the Board of Directors.

The Association established an endowment fund. The source of funds in the Endowment shall be (i) from transfers of funds without donor restrictions from the general operating fund of the YWCA, as designated from time to time by a majority of the members of the Board of Directors of the YWCA voting and present at any duly called and held meeting of the Board of Directors at which a quorum was present, and (ii) contributions with donor restrictions to the Endowment. The endowment fund balance, all without donor restrictions, was \$14,224 and \$14,791 at June 30, 2020 and 2019, respectively.

Strategies Employed for Achieving Objectives

The responsibility for investment of all endowment funds is solely the responsibility of the Board of Directors.





YWCA OF CENTRAL VIRGINIA
Notes to Financial Statements
June 30, 2020 and 2019

Note 6 - Endowment fund (continued)

Funds with Deficiencies

From time to time the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA/SPMIFA requires the Association to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature that are reported in unrestricted net assets were \$-0- as of June 30, 2020 and 2019, respectively.

Endowment Net Asset Composition by Type of Fund

	Without Donor Restrictions	With Donor Restrictions	Total
June 30, 2020			
Board-Designated endowment funds	\$ 14,224	\$ -	\$ 14,224
Total funds	\$ 14,224	\$ -	\$ 14,224

Endowment Net Asset Composition by Type of Fund

	Without Donor Restrictions	With Donor Restrictions	Total
June 30, 2019			
Board-Designated endowment funds	\$ 14,791	\$ -	\$ 14,791
Total funds	\$ 14,791	\$ -	\$ 14,791

Changes in Endowment Fund Net Assets

	Without Donor Restrictions	With Donor Restrictions	Total
For Fiscal Year Ended June 30, 2020			
Endowment fund net assets			
Beginning of year	\$ 14,791	\$ -	\$ 14,791
Investment income:			
Investment income, net	76	-	76
Net appreciation (realized and unrealized)	137	-	137
	213	-	213
Contributions	-	-	-
Transfer of earnings to individual fund	(73)	-	(73)
Appropriation of endowment assets for expenditure	(707)	-	(707)
Endowment fund net assets			
End of year	\$ 14,224	\$ -	\$ 14,224





YWCA OF CENTRAL VIRGINIA
Notes to Financial Statements
June 30, 2020 and 2019

Note 6 - Endowment fund (continued)

Changes in Endowment Fund Net Assets

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
For Fiscal Year Ended June 30, 2019			
Endowment fund net assets			
Beginning of year	\$ 14,801	\$ -	\$ 14,801
Investment income:			
Investment income, net	100	-	100
Net appreciation (realized and unrealized)	<u>556</u>	<u>-</u>	<u>556</u>
	656	-	656
Contributions	<u>-</u>	<u>-</u>	<u>-</u>
Transfer of earnings to corpus	<u>-</u>	<u>-</u>	<u>-</u>
Appropriation of endowment assets for expenditure	<u>(666)</u>	<u>-</u>	<u>(666)</u>
Endowment fund net assets			
End of year	\$ <u>14,791</u>	\$ <u>-</u>	\$ <u>14,791</u>

Note 7 – Operating leases

The Association leases vehicles and equipment under operating lease agreements. The lease agreements expire at various dates. Rental expenses for these leases totaled \$16,044 and \$13,793 for the years ended June 30, 2020 and 2019. Future minimum lease payments under operating leases that have remaining terms in excess of one year as of June 30, 2020 are as follows:

<u>Year Ending</u>	<u>Amount</u>
2021	\$ 18,213
2022	18,213
2023	11,116
Thereafter	<u>335</u>
	\$ <u>47,877</u>

Note 8 – In-kind contributions

The Association received various donated goods and services during the year. In-kind contributions totaled \$246,508 and \$232,733 for the years ended June 30, 2020 and 2019.

In-kind donations consist of the following:

<u>In-Kind Type</u>	<u>2020</u>	<u>2019</u>
Bridal gowns	\$ 211,828	\$ 232,733
Cost towards rented facility	655	-
Repairs	2,049	-
Mascara and socks for residents	28,860	-
Gloves and masks	<u>3,116</u>	<u>-</u>
Total in-kind donations	\$ <u>246,508</u>	\$ <u>232,733</u>





YWCA OF CENTRAL VIRGINIA
Notes to Financial Statements
June 30, 2020 and 2019

Note 9 – Net assets with donor restrictions

Net assets with donor restrictions as of June 30, 2020 and 2019 consisted of the following:

	<u>2020</u>	<u>2019</u>
Donor Restricted		
Contributions restricted for specific purpose	\$ <u>135,413</u>	\$ <u>166,015</u>
Total donor restricted	\$ <u><u>135,413</u></u>	\$ <u><u>166,015</u></u>

Note 10 – Designated net assets

Net assets without donor restrictions include designated and undesignated resources available for support of operations. Designated net assets are amounts set aside by the Association’s Board of Directors for use only upon the prior approval of the Board. At June 30, 2020 and 2019, net assets without donor restrictions included \$579,431 and \$599,831 designated for capital improvements and contingencies and \$10,050 designated into perpetuity.

Note 11 - Notes Payable

Notes payable at June 30 are as follows:

	<u>Maturity</u>	<u>2020</u>
Payable to a bank, unsecured PPP loan, interest rate of 1.00%, \$11,946 monthly beginning November 2020.	2022	<u>212,276</u>
		212,276
Less: current portion		<u>95,569</u>
Total long-term notes payable		\$ <u><u>116,707</u></u>

Future maturities of long-term notes payable are as follows:

2021	95,569
2022	116,707
Thereafter	<u>-</u>
	\$ <u><u>212,276</u></u>

Note 12 – Retirement Plan

Substantially all employees of the Association working more than 1,000 hours during a year are required to participate in a cash balance defined benefit retirement plan sponsored by the YWCA Retirement Fund, Incorporated. Employees normally become eligible to participate after two years of service and, upon beginning participation, become 100% vested. The Association is required to contribute approximately 7.5% of eligible employees’ compensation to the Plan and the Fund matches 3%. During the years ended June 30, 2020 and 2019, contributions to the Plan by the Association amounted to \$36,971 and \$40,210, respectively.

Note 13 – Credit Risk

The Association invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the Association’s account balances and the amounts reported in the statement of financial position.





YWCA OF CENTRAL VIRGINIA
Notes to Financial Statements
June 30, 2020 and 2019

Note 14 – Related Party Transactions

Because of the numerous individuals the Association has serving on its Board of Directors, the Association will occasionally engage in transactions with businesses of which a director may be an officer and/or an employee. For the years ended June 30, 2020 and 2019, the Association made expenditures amounting to approximately \$-0- and \$-0-, respectively, to such businesses for property acquisitions and other services. The Association also paid \$7,332 for the year ended June 30, 2020 and \$11,740 for the year ended June 30, 2019, in dues to the YWCA of the U.S.A.

Note 15 – Grants

The Association’s grants are broken down as follows for the years ended June 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Government grants:		
Virginia Department of Social Services		
Domestic Violence	\$ 150,000	\$ 150,000
Virginia Department of Criminal Justice Services		
V-Stop Grant	48,565	41,864
Sexual Assault & Domestic Violence Grant Program	726,801	614,247
Victim Fund Grant	23,082	40,201
City of Lynchburg Commonwealth’s Attorney	7,425	47,120
Campbell County	5,000	5,000
Amherst County	3,395	3,395
Virginia Department of Housing	24,818	25,750
Other	<u>25,431</u>	<u>5,500</u>
	1,014,517	933,077
Other non-governmental grants	<u>49,054</u>	<u>81,498</u>
Total grants	\$ <u>1,063,571</u>	\$ <u>1,014,575</u>

Note 16 – Liquidity and Availability

The Association regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The Association has various sources of liquidity at its disposal, including cash and cash equivalents.

For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Association considers all expenditures related to its ongoing activities of teaching and student development as well as the conduct of services undertaken to support those activities to be general expenditures.

In addition to financial assets available to meet general expenditures over the next 12 months, the Association aims to operate with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources. Refer to the statement of cash flows which identifies the sources and uses of the Association’s cash and shows positive cash generated by operations for fiscal year 2020.

As of June 30, 2020, the following financial assets could readily be made available to meet general expenditures:

Financial assets at year-end:	
Cash and cash equivalents	\$ 680,812
Receivables	208,855
Investments	<u>589,481</u>
Total financial assets	1,479,148
Less Amounts not available to be uses within one year:	
Cash restricted by purpose	135,413
Investments restricted by Board	<u>589,481</u>
Financial assets not available to be used within one year	<u>724,894</u>
Financial assets available to meet general expenditures within one year	\$ <u>754,254</u>





YWCA OF CENTRAL VIRGINIA
Notes to Financial Statements
June 30, 2020 and 2019

Note 17 – COVID-19 Response

The Association’s operations may be affected by the recent and ongoing outbreak of the coronavirus disease 2019 (COVID-19) which was declared a pandemic by the World Health Organization in March 2020. The ultimate disruption which may be caused by the outbreak is uncertain; however, it may result in a material adverse impact on the Association’s financial position, operations and cash flows. Possible effects may include, but are not limited to, disruption to the Association’s residence fees and donation revenue, absenteeism in the Association’s labor workforce, unavailability of products or services used in operations, and a decline in the value of assets held by the Association, including cash, investments, receivables and property and equipment. The Association continues to monitor developments, including government requirements and recommendations at the national, state, and local level to evaluate business decisions.

Note 18 – Subsequent Events

Management has reviewed subsequent events through January 25, 2021, the date the report was made available for issuance. Management anticipates full forgiveness of the SBA PPP loan.

