



YWCA OF CENTRAL VIRGINIA

**Financial Statements
For the years ended
June 30, 2019 and 2018**

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





YWCA OF CENTRAL VIRGINIA

Contents

	Page
Report of Independent Auditors	1
Statements of Financial Position	2
Statements of Activities	3 - 4
Statements of Functional Expenses	5 - 6
Statements of Cash Flows	7
Notes to Financial Statements	8 - 17





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, 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 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, 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.

A handwritten signature in blue ink that reads 'Davidson Doyle & Hilton, LLP'.

Lynchburg, Virginia
December 26, 2019





YWCA OF CENTRAL VIRGINIA
Statements of Financial Position
As of June 30, 2019 and 2018

	Assets	
	2019	2018
Current Assets		
Cash	\$ 330,999	\$ 526,798
Accounts receivable	1,256	1,026
United Way allocation receivable	134,812	135,562
Grants receivable	195,927	53,892
Investments	595,090	564,669
Prepaid expenses	17,302	12,067
Inventory	17,891	16,439
Total current assets	1,888,367	1,310,453
Property and Equipment		
Land and improvements	53,265	53,265
Buildings and improvements	1,643,302	1,597,998
Furniture, fixtures, and equipment	328,077	303,089
Vehicles	3,050	3,050
	2,027,694	1,957,402
Less accumulated depreciation	1,178,720	1,123,847
Net property and equipment	848,974	833,555
Beneficial interest in assets	14,791	14,801
Total Assets	\$ 2,157,042	\$ 2,158,809
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 12,996	\$ 6,199
Accrued vacation and payroll withholdings	15,568	19,013
Deferred rental income	1,256	166
Residents' security deposits	281	281
Sales tax payable	762	693
Total current liabilities	30,863	26,352
Net Assets		
Without donor restrictions		
Undesignated	1,350,283	1,400,559
Board designated	609,881	579,475
Without donor restrictions total	1,960,164	1,980,034
With donor restrictions	166,015	152,423
Total net assets	2,126,179	2,132,457
Total liabilities and net assets	\$ 2,157,042	\$ 2,158,809



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

	Without Donor Restrictions	With Donor Restrictions	Total
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	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 Revenues	<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>356,581</u>
	1,392,108		1,392,108
Management and general	63,065		63,065
Fundraising	<u>384,303</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 Activities
Year ended June 30, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
Public Support			
Government and foundation grants	\$ 1,050,166	\$ -	\$ 1,050,166
In-kind rent and donations	227,795	-	227,795
United Way of Central Virginia, Inc.	-	135,923	135,923
Contributions	<u>40,062</u>	<u>15,000</u>	<u>55,062</u>
Total Public Support	<u>1,318,023</u>	<u>150,923</u>	<u>1,468,946</u>
Revenues			
Bridal shop revenue	226,338	-	226,338
Rental income	77,101	-	77,101
Fundraising income	29,747	-	29,747
Net realized/unrealized gain on investments	15,855	-	15,855
Visitation Center	9,534	-	9,534
Investment income	8,341	-	8,341
Miscellaneous	1,733	-	1,733
Loss of sale of assets	(5,843)	-	(5,843)
Total Revenues	<u>362,806</u>	<u>-</u>	<u>362,806</u>
Net assets released from restrictions	<u>158,207</u>	(<u>158,207</u>)	<u>-</u>
Total Public Support and Revenue	<u>1,839,036</u>	(<u>7,284</u>)	<u>1,831,752</u>
Expenses			
Program services			
Residence	249,146	-	249,146
Domestic violence prevention	781,314	-	781,314
Mentoring	54,560	-	54,560
Sexual assault response program	<u>381,124</u>	<u>-</u>	<u>381,124</u>
	1,466,144	-	1,466,144
Management and general	35,771	-	35,771
Fundraising	<u>308,990</u>	<u>-</u>	<u>308,990</u>
Total Expenses	<u>1,810,905</u>	<u>-</u>	<u>1,810,905</u>
Net increase (decrease) in net assets	28,131	(7,284)	20,847
Net assets at beginning of year	<u>1,951,903</u>	<u>159,707</u>	<u>2,111,610</u>
Net assets at end of year	\$ <u>1,980,034</u>	\$ <u>152,423</u>	\$ <u>2,132,457</u>

See notes to financial statements





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

	Residence	Domestic Violence Prevention	Mentoring	SARP	Total Program	Administrative and General	Fundraising	Total
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
Program services	6,510	3,633	145	5,242	15,530	-	-	15,530
Supplies	6,372	7,233	9	2,932	16,546	776	1,732	19,054
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	\$ 484,827	\$ 453,377	\$ 97,323	\$ 356,581	\$ 1,392,108	\$ 63,065	\$ 384,303	\$ 1,839,476

See notes to financial statements.



YWCA OF CENTRAL VIRGINIA
Statement of Functional Expenses
Year ended June 30, 2018

	Residence	Domestic Violence Prevention	Mentoring	SARP	Total Program	Administrative and General	Fundraising	Total
Salaries and wages	\$ 133,416	\$ 485,382	\$ 34,204	\$ 228,187	\$ 881,189	\$ 21,260	\$ 42,425	\$ 944,874
Employee benefits	19,896	72,382	5,101	34,028	131,407	3,170	6,327	140,904
Payroll taxes	10,088	36,701	2,586	17,254	66,629	1,607	3,208	71,444
Total salaries, wages, and related benefits	163,400	594,465	41,891	279,469	1,079,225	26,037	51,960	1,157,222
Cost of goods sold in bridal shop	-	-	-	-	-	-	245,586	245,586
Utilities	23,231	18,267	947	-	42,445	1,024	2,044	45,513
Supplies	9,185	24,088	3,441	2,398	39,112	944	1,883	41,939
Travel and meeting	15	22,552	960	12,148	35,675	860	1,718	38,253
Insurance	3,775	20,091	1,735	9,673	35,274	851	1,698	37,823
Program services	5,148	5,572	2,218	19,989	32,927	-	-	32,927
Professional fees	3,631	15,583	247	8,844	28,305	3,999	-	32,304
Repairs and maintenance	18,813	9,552	161	1,116	29,642	-	-	29,642
Advertising	200	8,288	15	14,048	22,551	-	-	22,551
Telephone	576	9,372	182	6,134	16,264	392	783	17,439
Printing	620	7,918	109	3,653	12,300	-	-	12,300
Consultants and contractors	6,576	2,289	168	1,911	10,944	-	-	10,944
Equipment rental	1,529	2,710	24	2,778	7,041	170	339	7,550
Dues to YWCA of the U.S.A.	1,281	4,069	227	1,959	7,536	-	-	7,536
Subscriptions and fees	370	2,813	229	1,599	5,011	121	241	5,373
Miscellaneous	1,609	1,870	73	987	4,539	110	219	4,868
Assistance to individuals	-	3,525	-	520	4,045	-	-	4,045
Postage	696	953	7	1,047	2,703	65	130	2,898
Fundraising expenses	977	-	-	-	977	-	-	977
Total expenses before depreciation	241,632	753,977	52,634	368,273	1,414,516	34,573	306,601	1,757,690
Depreciation	7,514	27,337	1,926	12,851	49,628	1,198	2,389	53,215
Total expenses	\$ <u>249,146</u>	\$ <u>781,314</u>	\$ <u>54,560</u>	\$ <u>381,124</u>	\$ <u>1,466,144</u>	\$ <u>35,771</u>	\$ <u>308,990</u>	\$ <u>1,810,905</u>

See notes to financial statements.



YWCA OF CENTRAL VIRGINIA
Statements of Cash Flows
Years ended June 30, 2019 and 2018

	<u>2019</u>		<u>2018</u>
Cash Flows from Operating Activities			
Net increase (decrease) in net assets	\$ (6,278)	\$	20,847
Adjustments to reconcile net increase in net assets to cash provided by operating activities:			
Depreciation and amortization	54,873		53,215
Unrealized gain on sale of investments	(18,798)	(11,375)
Realized gain on investments	255	(4,480)
(Gain)/loss on disposal of assets	-		5,843
Decrease (increase) in:			
Accounts receivable	(230)	(132)
United Way allocation receivable	750		5,729
Grants receivable	(142,036)		248,499
Inventory	(1,452)		11,331
Prepaid expenses	(5,235)		3,462
Increase (decrease) in:			
Accounts payable	6,796		827
Accrued vacation	(8,192)		18,037
Deferred rental income	1,090	(449)
Payroll withholdings	4,749	(248)
Sales tax payable	69	(66)
Net cash provided by (used for) operating activities	(<u>113,639</u>)		<u>351,040</u>
Cash Flows from Investing Activities			
Proceeds from sales of investments	1,120		4,444
Distributions from investments	666		-
Purchases of investments	(13,654)	(12,602)
Purchases of property and equipment	(<u>70,292</u>)	(<u>33,643</u>)
Net cash used for investing activities	(<u>82,160</u>)	(<u>41,801</u>)
Net increase (decrease) in cash and cash equivalents	(195,799)		309,239
Cash and cash equivalents at beginning of the year	<u>526,798</u>		<u>217,559</u>
Cash and cash equivalents at end of the year	\$ <u><u>330,999</u></u>	\$	<u><u>526,798</u></u>

See notes to financial statements.





YWCA OF CENTRAL VIRGINIA
Notes to Financial Statements
June 30, 2019 and 2018

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 has designated, 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, 2019 and 2018



Note 2 - Significant Accounting Policies (continued)

Contributions

Support that is restricted by the donor is reported as an increase in without donor restriction net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in without donor restriction net assets, depending on the nature of the restriction. When a restriction expires, with donor restriction net assets are reclassified to without donor restriction net assets.

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.

Income recognition

Income is derived from several activities including rental income, grants, contributions and sales of bridal attire. Contributions received are recorded as with or without donor restricted net assets depending on the absence or existence and nature of any donor restrictions.

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.

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.



YWCA OF CENTRAL VIRGINIA
Notes to Financial Statements
June 30, 2019 and 2018



Note 2 - Significant Accounting Policies (continued)

Deferred Income

Deferred income represents rental income that has been collected but which are attributable to future periods.

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, 2019. Fiscal years ending on or after June 30, 2016 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

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.





YWCA OF CENTRAL VIRGINIA
Notes to Financial Statements
June 30, 2019 and 2018

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, 2019. 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, 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	<u>636,901</u>	<u>29,147</u>
	<u>\$ 1,178,720</u>	<u>\$ 54,873</u>

A summary of depreciation expense for the year ended June 30, 2018 and accumulated depreciation at June 30, 2018 is as follows:

	Accumulated Depreciation 2018	Depreciation Expense 2018
Buildings	\$ 305,926	\$ 8,390
Furniture and fixtures	48,971	7,027
Transportation	2,954	385
Equipment	144,568	11,119
Software	13,674	-
Leasehold improvements	<u>607,754</u>	<u>26,294</u>
	<u>\$ 1,123,847</u>	<u>\$ 53,215</u>





YWCA OF CENTRAL VIRGINIA
Notes to Financial Statements
June 30, 2019 and 2018

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, 2019 and 2018.

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:			Total at Fair Value
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
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

	Fair Value Measurement Using:			Total at Fair Value
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
June 30, 2018				
Cash and money market funds	\$ 35,931	\$ -	\$ -	\$ 35,931
Mutual funds	22,445	-	-	22,445
Equities	506,293	-	-	506,293
Beneficial interest in assets	-	14,801	-	14,801
Total	\$ 564,669	\$ 14,801	\$ -	\$ 579,470





YWCA OF CENTRAL VIRGINIA
Notes to Financial Statements
June 30, 2019 and 2018

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 \$14,791 and \$14,801 at June 30, 2019 and 2018, 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, 2019 and 2018

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, 2019 and 2018, respectively.

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

Endowment Net Asset Composition by Type of Fund

	Without Donor Restrictions	With Donor Restrictions	Total
June 30, 2018			
Board-Designated endowment funds	\$ 14,801	\$ -	\$ 14,801
Total funds	\$ 14,801	\$ -	\$ 14,801

Changes in Endowment Fund Net Assets

	Without Donor Restrictions	With Donor Restrictions	Total
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)	556	-	556
	656	-	656
Contributions	-	-	-
Transfer of earnings to corpus	-	-	-
Appropriation of endowment assets for expenditure	(666)	-	(666)
Endowment fund net assets			
End of year	\$ 14,791	\$ -	\$ 14,791





YWCA OF CENTRAL VIRGINIA
Notes to Financial Statements
June 30, 2019 and 2018

Note 6 - Endowment fund (continued)

Changes in Endowment Fund Net Assets

	Without Donor Restrictions	With Donor Restrictions	Total
For Fiscal Year Ended June 30, 2018			
Endowment fund net assets			
Beginning of year	\$ 13,818	\$ -	\$ 13,818
Investment income:			
Investment income, net	64	-	64
Net appreciation (realized and unrealized)	919	-	919
	<u>983</u>	<u>-</u>	<u>983</u>
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>-</u>	<u>-</u>	<u>-</u>
Endowment fund net assets			
End of year	\$ <u>14,801</u>	\$ <u>-</u>	\$ <u>14,801</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 \$13,793 and \$13,492 for the years ended June 30, 2019 and 2018. Future minimum lease payments under operating leases that have remaining terms in excess of one year as of June 30, 2019 are as follows:

Year Ending	Amount
2020	\$ 9,617
2021	4,020
2022	4,020
2023	4,020
Thereafter	<u>335</u>
	\$ <u>22,012</u>

Note 8 – In-kind contributions

The Association received various donated goods and services during the year. In-kind contributions totaled \$232,733 and \$227,795 for the years ended June 30, 2019 and 2018. This included \$232,733 and \$227,795 in donated bridal gowns for the bridal shop.





YWCA OF CENTRAL VIRGINIA
Notes to Financial Statements
June 30, 2019 and 2018

Note 9 – Net assets with donor restrictions

Net assets with donor restrictions as of June 30, 2019 and 2018 consisted of the following:

	<u>2019</u>	<u>2018</u>
Donor Restricted		
Contributions restricted for specific purpose	\$ 166,015	\$ 152,423
Total donor restricted	<u>\$ 166,015</u>	<u>\$ 152,423</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, 2019 and 2018, net assets without donor restrictions included \$599,831 and \$569,425 designated for capital improvements and contingencies and \$10,050 designated into perpetuity.

Note 11 – 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, 2019 and 2018, contributions to the Plan by the Association amounted to \$40,210 and \$37,061, respectively.

Note 12 – 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.

Note 13 – 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, 2019 and 2018, the Association made expenditures amounting to approximately \$-0- and \$3,000, respectively, to such businesses for property acquisitions and other services. The Association also paid \$11,740 for the year ended June 30, 2019 and \$7,536 for the year ended June 30, 2018, in dues to the YWCA of the U.S.A.





YWCA OF CENTRAL VIRGINIA
Notes to Financial Statements
June 30, 2019 and 2018

Note 14 – Grants

The Association's grants are broken down as follows for the years ended June 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Government grants:		
Virginia Department of Social Services		
Domestic Violence	\$ 150,000	\$ 150,000
Virginia Department of Criminal Justice Services		
V-Stop Grant	41,864	41,438
Sexual Assault & Domestic Violence Grant Program	614,247	612,646
Victim Fund Grant	40,201	40,201
City of Lynchburg Commonwealth's Attorney	47,120	46,000
Lynchburg City Schools Homeless Grant	-	1,144
Campbell County	5,000	5,000
Amherst County	3,395	3,395
Virginia Department of Housing	25,750	25,749
Other	5,500	10,095
	<u>933,077</u>	<u>935,667</u>
Other non-governmental grants	<u>81,498</u>	<u>114,499</u>
Total grants	\$ <u>1,014,575</u>	\$ <u>1,050,166</u>

Note 15 – 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 negative cash generated by operations for fiscal year 2019.

As of June 30, 2019, the following financial assets could readily be made available to meet general expenditures:

Cash and cash equivalents	\$ 330,999
Accounts receivable	1,256
United Way allocation receivable	134,812
Grants receivable	<u>195,927</u>
	<u>\$ 662,994</u>

Note 16 – Subsequent Events

Management has reviewed subsequent events through December 26, 2019, the date the report was made available for issuance. No events requiring disclosure were noted.

