

The Young Women's Christian Association of the University of Illinois

Champaign, Illinois

Financial Statements

For the Year Ended July 31, 2020

Feller & Kuester CPAs LLP
Certified Public Accountants
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Champaign, IL 61821
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
The Young Women's Christian Association of the University of Illinois
Champaign, Illinois

We have audited the accompanying financial statements of The Young Women's Christian Association of the University of Illinois (a nonprofit organization), which comprise the statements of assets, liabilities, and net assets - modified cash basis as of July 31, 2020, and the related statements of support, revenue, and expenses - modified cash basis, functional expenses - modified cash basis, and cash flows - modified cash basis for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting as described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 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 assets, liabilities, and net assets of The Young Women's Christian Association of the University of Illinois as of July 31, 2020, and its support, revenue, and expenses and cash flows for the year then ended in accordance to the modified cash basis of accounting as described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Feller & Kuester CPAs LLP

Feller & Kuester CPAs LLP
Champaign, Illinois

January 29, 2021

The Young Women's Christian Association of the University of Illinois
Statement of Assets, Liabilities, and Net Assets - Modified Cash Basis
July 31, 2020

ASSETS

Current Assets	
Cash and Cash Equivalents	\$ 22,252
Funds Held by Payroll Company	4,000
Total Current Assets	26,252
Property and Equipment, Net	236,500
Investments	463,879
Security Deposit	1,000
TOTAL ASSETS	\$ 727,631

LIABILITIES AND NET ASSETS

Current Liabilities	
Accrued Payroll Taxes and Withholdings	\$ 3,000
Total Current Liabilities	3,000
Net Assets	
Without Donor Restrictions	
Designated for Endowment	463,879
Undesignated	232,607
Total Without Donor Restrictions	696,486
With Donor Restrictions	28,145
Total Net Assets	724,631
TOTAL LIABILITIES AND NET ASSETS	\$ 727,631

See Accompanying Notes.

The Young Women's Christian Association of the University of Illinois
Statement of Support, Revenue, and Expenses - Modified Cash Basis
For the Year Ended July 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue			
Rental Income	\$ 110,677	\$ -	\$ 110,677
Investment Income, Net	28,498	-	28,498
Grants and Contracts	-	28,135	28,135
Contributions	26,588	-	26,588
Sublease Income	1,100	-	1,100
Total Support and Revenue	<u>166,863</u>	<u>28,135</u>	<u>194,998</u>
Expenses			
Program Services	<u>67,532</u>	-	<u>67,532</u>
Supporting Services:			
Management and General	61,571	-	61,571
Fundraising	<u>29,263</u>	-	<u>29,263</u>
Total Supporting Services	<u>90,834</u>	-	<u>90,834</u>
Total Expenses	<u>158,366</u>	-	<u>158,366</u>
Increase (Decrease) in Net Assets	<u>8,497</u>	<u>28,135</u>	<u>36,632</u>
Net Assets, Beginning of Year	<u>687,989</u>	<u>10</u>	<u>687,999</u>
Net Assets, End of Year	<u>\$ 696,486</u>	<u>\$ 28,145</u>	<u>\$ 724,631</u>

See Accompanying Notes.

The Young Women's Christian Association of the University of Illinois
Statement of Functional Expenses - Modified Cash Basis
For the Year Ended July 31, 2020

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Compensation and Related Expenses:				
Salaries and Wages	\$ 44,844	\$ 34,742	\$ 22,547	\$ 102,133
Payroll Taxes	3,572	2,767	1,796	8,135
Employee Benefits	1,629	1,628	2,171	5,428
Total Compensation and Related Exp	50,045	39,137	26,514	115,696
Occupancy	7,434	16,107	1,239	24,780
Insurance	3,365	721	721	4,807
Marketing and Development	2,608	559	559	3,726
Office Expenses	1,088	2,358	181	3,627
Program Expenses	2,696	-	-	2,696
Professional Fees	-	2,050	-	2,050
Dues and Membership	155	336	26	517
Telephone	141	303	23	467
Total Expenses	<u>\$ 67,532</u>	<u>\$ 61,571</u>	<u>\$ 29,263</u>	<u>\$ 158,366</u>

See Accompanying Notes.

The Young Women's Christian Association of the University of Illinois
Statement of Cash Flows - Modified Cash Basis
For the Year Ended July 31, 2020

CASH FLOWS FROM OPERATING ACTIVITIES

Increase (Decrease) in Net Assets	\$ 36,632
Adjustments to Reconcile Change In Net Assets to Net Cash Provided by (Used in) Operating Activities:	
Net Realized and Unrealized (Gains) Losses on Investments	(19,682)
(Increase) Decrease in Operating Assets:	
Funds Held by Payroll Company	(4,000)
Security Deposit	(1,000)
Increase (Decrease) in Operating Liabilities:	
Accrued Payroll Taxes and Withholdings	1,323
Net Cash Provided by (Used in) Operating Activities	13,273

CASH FLOWS FROM INVESTMENT ACTIVITIES

Reinvested Interest, Dividends, and Capital Gain Distributions	(10,356)
Investment Fees Paid	1,540
Proceeds from Sale of Investments	15,000
Net Cash Provided by (Used in) Investment Activities	6,184

CASH FLOWS FROM FINANCING ACTIVITIES

None	-
Net Cash Provided by (Used in) Financing Activities	-
Net Increase (Decrease) in Cash and Cash Equivalents	19,457
Beginning Cash and Cash Equivalents	2,795
Ending Cash and Cash Equivalents	\$ 22,252

See Accompanying Notes.

The Young Women's Christian Association of the University of Illinois
Notes to Financial Statements
July 31, 2020

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Young Women's Christian Association of the University of Illinois (the Organization) is a nonprofit social justice organization that was founded in 1884 and incorporated in the State of Illinois in 1892. The Organization is dedicated to the mission of eliminating racism, empowering women, and promoting peace, justice, freedom and dignity for all. The Organization is a student affiliated YWCA which means they place additional emphasis on leadership development of college aged women. The Organization is one of only five student affiliated YWCA's in the county.

The majority of the Organization's funding is provided by rental income, investment income, grants and contracts, and contributions.

Subsequent Events

Subsequent events have been evaluated through January 29, 2021, which is the date the financial statements were available to be issued.

Basis of Reporting

The Organization maintains accounting records on the cash basis modified to record assets and liabilities resulting from cash transactions. Revenue is recognized when received rather than when earned and expenses are recognized when paid rather than when the obligation is incurred. Accordingly, the accompanying financial statements are not intended to and do not present financial position and results of operations in conformity with accounting principles generally accepted in the United States of America.

Use of Estimates in Preparing Financial Statements

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

Cash and Cash Equivalents

For purposes of reporting cash flows, cash and cash equivalents include all cash and highly liquid investments acquired with an original maturity date of three months or less.

Property and Equipment

Property and equipment are capitalized at cost. Donated property and equipment are capitalized at estimated cost or fair market value at the time of donation. Property and equipment are capitalized when the costs exceeds \$500. The cost of normal maintenance and repairs that do not

The Young Women's Christian Association of the University of Illinois
Notes to Financial Statements
July 31, 2020

add to the value of the asset or increase the functionality of the asset are not capitalized. Depreciation of the assets is computed using the straight-line method over their estimated useful lives. The range of estimated useful lives by type of asset is as follows:

Furniture and Equipment	3-5 years
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Net Assets

Net assets of the Organization and changes therein are classified and reported as follows:

Net Assets without Donor Restrictions - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. The Organization's board may designate assets without restrictions for specific operational purposes from time to time.

Net Assets with Donor Restrictions - Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity. The Organization did not have any net assets with donor restrictions that were perpetual in nature as of July 31, 2020.

Grants, Contracts, and Contributions Revenue

Grants, contracts, and contributions funds received with only general restrictions are considered to be available for unrestricted use unless specifically restricted by the donor. When such restrictions exist, the revenue is recorded with temporarily restricted revenue until the restrictions are met. Grants, contracts, and contributions received with temporary restrictions that are met in the same reporting period are reported as unrestricted support and increase net assets without donor restrictions.

Under the modified cash basis of accounting, grants, contracts, and contributions are recognized as revenue when the funds are received.

Contributed Goods and Services

The modified cash basis of accounting does not require that contributed goods and services are recognized. Therefore, no contributed goods and services are recorded on the financial statements.

Small Business Administration - Payroll Protection Program

During 2020 the world, including the United States, was hit with a severe outbreak of the novel corona virus (COVID-19) which resulted in all but designated essential businesses to remain open, created stay at home orders for most of the citizens, and created required social distancing rules and regulations.

The Young Women's Christian Association of the University of Illinois
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July 31, 2020

To ensure the Organization could continue to meet its payroll obligations to its staff it applied for and received a federal Payroll Protection Program (PPP) loan on May 2, 2020 in the amount of \$20,135. This newly created special loan program through the Small Business Administration (SBA) has provisions in it that allows for a substantial portion, if not all, of the loan to be forgiven if the Organization meets certain payroll and operating requirements, which the Organization contemplates meeting. If any portion of the loan is later to be determined to not be forgiven that portion will be repayable commencing in December 2020 on a monthly basis through May 2022 with 1 % interest.

Since the Organization expects the total amount to be forgiven and grants are recognized as revenue when the funds are received under the modified cash basis of accounting, the entire amount of \$20,135 has been included in grants and contracts. In addition, the Organization included the \$20,135 with net assets with donor restrictions since the cover period of 24 weeks was not complete and the PPP loan forgiveness conditions had not been substantially met as of July 31, 2020.

Advertising

The Organization expenses advertising costs as they are incurred. During the year ended July 31, 2020, the Organization had no advertising expense.

Income Tax Status

The Organization is a nonprofit organization that is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, the Internal Revenue Service has determined that the Organization is not a private foundation as defined in Section 509(a)(1) and Section 170(b)(1)(A)(vi) of the Code.

The Organization has evaluated its exposure resulting from uncertain income tax position and determined the exposure is not material to the financial statements. In addition, the Organization is not aware of any tax position for which a significant change is reasonably possible within the next 12 months. Therefore, these financial statements do not include a liability for uncertain tax positions. Upon recognition of a liability for an uncertain tax position, the Organization would recognize interest expense and penalties in operating expenses.

The Organization files information tax returns in the U.S. federal jurisdiction and the state of Illinois. The Organization's federal and Illinois information tax returns prior to fiscal year ended July 31, 2017 are closed. The Organization does not have any tax returns currently under examination by either the Internal Revenue Service (IRS) or any U.S. state jurisdiction.

Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of support, revenue, and expenses – modified cash basis and statement of functional expenses – modified cash basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The Young Women's Christian Association of the University of Illinois
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Expenses which are easily and directly associated with a particular program or supporting service are charged directly to that functional area. Compensation and related expenses have been allocated on the basis of estimates of time and effort. Occupancy, office expenses, dues and membership, and telephone have been allocated 30% to program services, 65% to management and general, and 5% to fundraising which is on a square footage basis. Marketing and development and insurance have been allocated 70% to program services, 15% to management and general, and 15% to fundraising on the basis of estimates of time and effort.

NOTE 2 – CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially subject the Organization to credit risk consist principally of checking accounts at financial institutions. At July 31, 2020, the Organization had a total book and bank balance which includes cash and cash equivalents of \$9,738 and \$11,348, respectively. These funds were held at a financial institution located in Champaign, Illinois. The balances as of July 31, 2020 were insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per financial institution. Thus, the total bank balance as of July 31, 2020 was fully insured. In addition, the Organization had undeposited funds of \$12,514 at April 30, 2020. Since these funds were not yet deposited with a financial institution, they were not covered by FDIC.

NOTE 3 – PROPERTY AND EQUIPMENT

At July 31, 2020, property and equipment consisted of the following:

Land	\$ 236,500
Furniture and Equipment	575
Total Property and Equipment	<u>237,075</u>
Less: Accumulated Depreciation	(575)
Property and Equipment, Net of Accumulated Depreciation	<u><u>\$ 236,500</u></u>

During the year ended July 31, 2020, the Organization had no depreciation expense.

NOTE 4 – LEASE OF LAND

The Organization owns land on East John Street in Champaign, Illinois. The land at 502-508 East John Street is presented in the financial statements with an appraised value on August 8, 1966 of \$225,000. Additional land on East John Street purchased at that time is presented in the financial statements at a cost of \$11,500.

The land is under a long-term lease commitment to the developer of the original shopping center located on the land. The lease term runs through September 30, 2026 with an option to renew for an additional 35 years. Additional improvements on the land consist of an apartment building and parking garage, which straddle the Organization's land and adjacent property. The income from this property is deposited in the operating fund and is used for operations of the Organization. Total rental income for the year ended July 31, 2020 was \$110,677. Fifty seven percent of the Organization's support and revenue was from this lease.

The Young Women’s Christian Association of the University of Illinois
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Estimated future minimum lease payments for the years ending July 31st are as follows:

2021	\$ 110,677
2022	118,941
2023	120,594
2024	120,594
2025	120,594
Thereafter through September 30, 2026	140,691
Total	<u>\$ 732,091</u>

Per the terms of the lease, every five years the monthly lease payment is increased based upon the “Revised Consumer Price Index.” Effective October 1, 2016, the monthly lease payment was increased from \$8,770.15 to \$9,223.07.

NOTE 5 – INVESTMENTS

FASB ASC 820, *Fair Value Measurements*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarch gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described below:

Level 1 – Inputs to the valuation methodology are based on unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 – Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, inputs other than quoted prices that are observable for the asset or liability, and inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset’s and 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.

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The 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 July 31, 2020.

Money Market Funds: Valued at cost plus accrued interest.

Mutual Funds: Valued at the NAV of shares held by the Organization at year-end based on readily determinable fair values, which are published daily and are the basis for current transactions.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in different fair value measurements at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of July 31, 2020:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money Market Funds	\$ 10,940	\$ -	\$ -	\$ 10,940
Mutual Funds - Alternative Investments	26,628	-	-	26,628
Mutual Funds - Equity	318,226	-	-	318,226
Mutual Funds - Fixed Income	108,085	-	-	108,085
TOTAL	<u>\$ 463,879</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 463,879</u>

Investment income on the statement of support, revenue, and expenses – modified cash basis consists of the following for the year ended July 31, 2020:

Interest	\$ 203
Dividends	9,340
Capital Gain Distributions	813
Net Realized and Unrealized Gains (Losses)	19,682
Investments Fees	(1,540)
Total Investment Income, Net	<u>\$ 28,498</u>

Summary of the investments activity for the year ended July 31, 2020:

Investments, Beginning of Year	<u>\$ 450,381</u>
Investment Income, Net	28,498
Transfers Out to Cash and Cash Equivalents	(15,000)
Investments, End of Year	<u>\$ 463,879</u>

The Young Women’s Christian Association of the University of Illinois
Notes to Financial Statements
July 31, 2020

NOTE 6 – NET ASSETS WITHOUT DONOR RESTRICTIONS - BOARD DESIGNATED

Board designated endowment net assets are available for the following purposes at July 31, 2020:

General Program Expenses	\$ 463,879
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Funds designated by the Board of Directors to function as an endowment are voluntary and may be reversed by the Board of Directors at any time. Accordingly, they are reported as part of the net assets without donor restrictions. The Organization’s Board designated endowment net assets exist as a permanent investment pool to enhance and sustain the operations of the Organization so that it can continue to be involved in the mission of eliminating racism, empowering women, and promoting peace, justice, freedom and dignity for all

NOTE 7 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at July 31, 2020 are restricted for the following purposes or period:

Subject to expenditures for specified purposes:

Enable access to emergency food and basic supplies, interim housing and shelter, primary health services, utility and financial assistance, nonprofit safety and operations assistance, and support for children and other populations vulnerable to COVID-19	\$ 8,000
Support Black Lives Matters	10
Total	<u><u>\$ 8,010</u></u>

Subject to the specified period:

Keep workforce employed during the COVID-19 crisis. Must satisfy employee retention criteria for 24 weeks after the loan date (May 2, 2020).	<u><u>\$ 20,135</u></u>
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NOTE 8 – ENDOWMENT FUND

The Organization has adopted the provisions of FASB ASC 958-205-45, *Not-for-Entities*, including *Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act*, and *Enhanced Disclosures for All Endowment Fund*. ASC 958 provides guidance on the net asset classification of donor restricted endowment funds for a non-for-profit organization that is subject to an enacted version of the State Prudent Management of Institutional Funds Act (SPMIFA) and also requires disclosures about endowment funds, both donor restricted and board designated endowment funds.

Interpretation of Relevant Law

The Organization has interpreted SPMIFA 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 Organization classifies as

The Young Women's Christian Association of the University of Illinois
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permanently restricted net assets (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 permanently restricted net assets is classified as net assets with donor restrictions - restricted for specified purpose until those amounts are appropriated for expenditures by the Organization in a manner consistent with the standard of prudence prescribed by SPMIFA.

Additionally, in accordance with SPMIFA, the Organization 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 Organization and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation or deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the Organization
- (7) The investment policies of the Organization.

Endowment Net Asset Composition by Type of Fund as of July 31, 2020

	<u>Unrestricted</u>
Board Designated Endowment Funds	\$ 463,879
Total	<u>\$ 463,879</u>

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

	<u>Unrestricted</u>
Endowment Net Assets, Beginning of Year	\$ 450,381
Contributions	-
Investment Income, Net	28,498
Net Assets Released from Restrictions	<u>(15,000)</u>
Endowment Net Assets, End of Year	<u>\$ 463,879</u>

Return Objectives and Risk Parameters

As approved by the Board of Directors, the Organization's endowments are invested primarily in publicly traded mutual funds. The primary objectives in the investment management for the portfolio assets is to maintain the purchasing power of the portfolio; minimize market fluctuations of the operating funds consistent with a yield reflective of the time value of money; and achieve long-term growth of assets for board restricted and endowment funds. The mix of investments in the portfolio is examined annually with a view to rebalance for diversification and various risk factors.

Spending Policy

The Board of Directors annually set the amount allocated from the endowment fund to operating funds at a level designed to keep the endowment intact in real (inflation-adjusted) terms. Recent

The Young Women’s Christian Association of the University of Illinois
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allocations have been at 3% to 5% of the portfolio value at the end of the preceding calendar year. The allocation is reviewed annually, with consideration of current thinking concerning comparable endowments. During the year ended July 31, 2020, such amount was \$15,000.

NOTE 9 – GRANTS AND CONTRACTS REVENUE

The following is a summary of revenue from grants and contracts during the year ended July 31, 2020:

Small Business Administration - Payroll Protection Program	\$ 20,135
YWCA USA, Inc. - Illinois COVID-19 Response Fund	8,000
Total Grants and Contracts Revenue	\$ 28,135

NOTE 10 – MULTI-EMPLOYER PENSION PLAN AND RETIREMENT PLAN

The Organization makes contributions to a defined benefit pension plan; Young Women’s Christian Association Retirement Fund, Inc. (YWCA Retirement Fund). The risks of participating in this multi-employer plan are different from a single-employer plan in the following aspects:

- Assets contributed to the multi-employer plan by one employer may be used to provide benefits to employees of other participating employers.
- If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers.
- If the Organization chooses to stop participating in its multi-employer plan, the Organization may be required to pay the plan an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

The Organization’s participation in the YWCA Retirement Fund for the annual period ended July 31, 2020 is outlined in the table below. The “EIN / Pension Plan Number” column provides the Employee Identification Number (EIN) and the three-digit plan number, if applicable. Unless otherwise noted, the most recent Pension Protection Act (PPA) zone status available is for the plan’s year-end at July 31, 2020 and 2019, respectively. The zone status is based on information that the Organization received from the plan and is certified by the plan’s actuary. Among other factors, plans in the red zone are generally less than 65 percent funded, plans in the yellow zone are less than 80 percent funded, and plans in the green zone are at least 80 percent funded. The “FIP / RP Status Pending / Implemented” column indicates plans for which a financial improvement plan (FIP) or a rehabilitation plan (RP) is either pending or has been implemented. The last column lists the expiration dates of the collective-bargaining agreements to which the plans are subject, if applicable. There have been no significant changes that affect the comparability of the contributions for the year ended July 31, 2020. The Organization was not listed on any plan’s Form 5500 as providing more than 5 percent of the total contributions.

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<u>Pension Fund</u>	<u>EIN / Pension Plan Number</u>	<u>Pension Protection Act Zone Status</u>		<u>FIP / RP Status Pending / Implemented</u>	<u>Contributions of the Organization</u>	<u>Surcharge Imposed</u>	<u>Expiration Date of Collective-Bargaining Agreement</u>
		<u>July 31, 2020</u>	<u>July 31, 2019</u>		<u>Year Ended July 31, 2020</u>		
YWCA Retirement Fund	13-1624231 / 001	Green as of 12/31/19	Green as of 12/31/18	N/A	4,228	N/A	N/A

As of July 31, 2020, the Organization has the choice to contribute 10.0%, 7.5%, 5.0%, or 3.0% to the YWCA Retirement Fund. Starting January 1, 2017, the Organization changed its elected contribution rate from 10.0% to 7.5% of wages. An employee is eligible for the enrollment in the YWCA Retirement Fund as of the first of the month after completion of two years of service. ERISA defines a year of service as the completion of 1,000 hours of employment within a 12-month period beginning with the first day one hour is worked. The two years of service need not be consecutive. As of July 31, 2020, the Organization had one covered employee.

NOTE 11 – LEASE COMMITMENTS

The Organization entered into a five-year lease dated March 17, 2020 for office space for a period commencing April 1, 2020 (but rent will commence on July 1, 2020) and shall extend until April 30, 2025. Monthly rent is \$962.50. The Organization has an option to renew two 5-year option. Total rental expense reported for the year ended July 31, 2020 was \$963. The minimum rental commitment as of July 31, 2020 under this lease agreement is as follows:

<u>Year Ended July 31,</u>	
2021	\$ 11,550
2022	11,550
2023	11,550
2024	11,550
2025	8,663
Total	\$ 54,863

NOTE 12 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organization's financial assets as of the date of the statement of assets, liabilities, and net assets – modified cash basis, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of those dates. Amounts available include donor restricted amounts that are available for general expenditure in the following year.

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Notes to Financial Statements
July 31, 2020

	<u>July 31, 2020</u>
Fiscal Assets at Year-End	
Cash and Cash Equivalents	\$ 22,252
Funds Held by Payroll Company	4,000
Investments	463,879
Less Contractual or Donor-Imposed Restrictions	
Designated by the Board for Endowment	(463,879)
Donor Restrictions for Specific Purposes	(8,010)
Financial Assets Available to Meet Cash Needs	
for General Expenditure Within One Year	\$ 18,242

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Excess cash is generally held in a checking account until it is required for operational use.