

**YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF  
SEATTLE-KING COUNTY-SNOHOMISH COUNTY AND SUBSIDIARIES**

Consolidated Financial Statements

For the Year Ended December 31, 2020



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## Independent Auditor's Report

**To the Board of Directors  
Young Women's Christian Association  
of Seattle-King County-Snohomish County  
Seattle, Washington**

### REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of Young Women's Christian Association of Seattle-King County-Snohomish County and Subsidiaries (collectively, the Organization), which comprise the consolidated statement of financial position as of December 31, 2020, and the related consolidated statements of activities, changes in net assets, functional expenses, and cash flows for the year then ended and the related notes to the consolidated financial statements.

### Management 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 audit. We did not audit the financial statements of Summerfield Rehab LLLP (Summerfield), Snohomish Portfolio LLLP (Snohomish), and Opportunity Place Housing LLLP (Opportunity Place) consolidated entities.

Summerfield's financial statements reflect total assets of approximately \$17 million at December 31, 2020, and total revenues of approximately \$730,000 for the year then ended. Snohomish's financial statements reflect total assets of approximately \$63 million at December 31, 2020, and total revenues of approximately \$3.2 million for the year then ended. Opportunity Place's financial statements reflect total assets of approximately \$45 million at December 31, 2020, and total revenues of approximately \$2 million for the period then ended. Those statements were audited by other auditors, whose reports have been provided to us, and our opinion, insofar as it relates to the amounts included for Summerfield, is based solely on the report of the other auditors.



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We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of Summerfield, Snohomish, and Opportunity Place were not audited in accordance with *Government Auditing Standards*.

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, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Report on Summarized Comparative Information**

We have previously audited the Organization's 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 17, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019 is consistent, in all material respects, with the audited financial statements from which it has been derived.

## **Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on pages 38 and 39 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

## **OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

In accordance with *Government Auditing Standards*, we have also issued our report dated July 13, 2021 our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

*Clark Nuber P.S.*

Certified Public Accountants  
July 13, 2021

**CONSOLIDATED FINANCIAL STATEMENTS**

**YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF  
SEATTLE-KING COUNTY-SNOHOMISH COUNTY AND SUBSIDIARIES**  
**Consolidated Statement of Financial Position**  
**For the Year Ended December 31, 2020**  
**(With Comparative Totals for 2019)**

	<u>2020</u>	<u>2019</u>
<b>Assets</b>		
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 15,161,572	\$ 12,874,715
Accounts and grants receivable	5,498,534	3,096,940
Current portion of pledges receivable, net	139,299	1,016,955
Prepaid expenses and other current assets	904,610	870,806
	<u>21,704,015</u>	<u>17,859,416</u>
<b>Total Current Assets</b>	<b>21,704,015</b>	<b>17,859,416</b>
Pledges receivable, net of current portion	109,184	511,750
Investments	58,002,968	36,316,649
Limited use assets	4,184,692	4,008,189
Land, buildings and equipment, net	137,195,076	131,096,805
Operating lease right of use asset	584,829	
Capitalized costs and other assets, net	519,255	424,108
	<u>519,255</u>	<u>424,108</u>
<b>Total Assets</b>	<b>\$ 222,300,019</b>	<b>\$ 190,216,917</b>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities:</b>		
Accounts payable	\$ 978,016	\$ 940,261
Construction payable	1,528,642	23,423
Accrued salaries	1,152,107	1,243,865
Other current liabilities	1,977,021	1,538,627
Current portion of operating lease liability	299,248	
Current portion of long-term debt	1,081,849	1,033,297
	<u>7,016,883</u>	<u>4,779,473</u>
<b>Total Current Liabilities</b>	<b>7,016,883</b>	<b>4,779,473</b>
Deferred revenue	85,714	99,997
Operating lease liability, net of current portion	291,336	
Paycheck Protection Program loan	3,183,575	
Long-term debt, net of current portion	88,758,655	80,764,137
	<u>88,758,655</u>	<u>80,764,137</u>
<b>Total Liabilities</b>	<b>99,336,163</b>	<b>85,643,607</b>
<b>Net Assets:</b>		
Without donor restrictions-		
Controlling interest	72,662,194	50,219,231
Noncontrolling interest	17,404,671	20,743,431
	<u>90,066,865</u>	<u>70,962,662</u>
Total net assets without donor restrictions	90,066,865	70,962,662
Net assets with donor restrictions	32,896,991	33,610,648
	<u>32,896,991</u>	<u>33,610,648</u>
<b>Total Net Assets</b>	<b>122,963,856</b>	<b>104,573,310</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 222,300,019</b>	<b>\$ 190,216,917</b>

See accompanying notes.

**YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF  
SEATTLE-KING COUNTY-SNOHOMISH COUNTY AND SUBSIDIARIES**  
**Consolidated Statement of Activities**  
**For the Year Ended December 31, 2020**  
**(With Comparative Totals for 2019)**

	Without Donor Restrictions	With Donor Restrictions	2020 Total	2019 Total
<b>Operating Activities</b>				
<b>Support and Revenues:</b>				
Public support-				
Governmental fees and grants	\$ 22,429,388	\$ -	\$ 22,429,388	\$ 20,504,767
Contributions	23,406,232	2,793,148	26,199,380	5,745,442
United Way grants		945,762	945,762	1,056,114
Net assets released from restriction	5,410,716	(5,410,716)		
<b>Total public support</b>	<b>51,246,336</b>	<b>(1,671,806)</b>	<b>49,574,530</b>	<b>27,306,323</b>
Earned revenue-				
Program service fees and rents	7,573,142		7,573,142	6,720,729
Operating investment return	1,447,074		1,447,074	1,607,431
<b>Total earned revenue</b>	<b>9,020,216</b>		<b>9,020,216</b>	<b>8,328,160</b>
<b>Total Support and Revenues</b>	<b>60,266,552</b>	<b>(1,671,806)</b>	<b>58,594,746</b>	<b>35,634,483</b>
<b>Expenses:</b>				
Program services-				
Housing	29,835,078		29,835,078	29,009,679
Economic advancement	3,882,769		3,882,769	4,066,342
Health and safety	4,862,573		4,862,573	2,857,635
Supporting services-				
Management and general	3,013,787		3,013,787	3,480,321
Fundraising	1,472,500		1,472,500	1,716,942
<b>Total Expenses</b>	<b>43,066,707</b>		<b>43,066,707</b>	<b>41,130,919</b>
<b>Change in Net Assets From Operating Activities</b>	<b>17,199,845</b>	<b>(1,671,806)</b>	<b>15,528,039</b>	<b>(5,496,436)</b>
<b>Nonoperating Activities</b>				
Endowment contributions		5,350	5,350	159,200
Proceeds from sale of TDRs				18,000
Nonoperating investment return	760,358	2,096,799	2,857,157	5,022,215
Net assets released from restriction	1,144,000	(1,144,000)		
<b>Change in Net Assets From Nonoperating Activities</b>	<b>1,904,358</b>	<b>958,149</b>	<b>2,862,507</b>	<b>5,199,415</b>
<b>Total Change in Net Assets From Operating and Nonoperating Activities</b>	<b>19,104,203</b>	<b>(713,657)</b>	<b>18,390,546</b>	<b>(297,021)</b>
Noncontrolling interest in net losses of subsidiaries	3,338,760		3,338,760	2,910,944
<b>Change in Net Assets From Operating and Nonoperating Activities Excluding Noncontrolling Interest</b>	<b>\$ 22,442,963</b>	<b>\$ (713,657)</b>	<b>\$ 21,729,306</b>	<b>\$ 2,613,923</b>

See accompanying notes.



**YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF  
SEATTLE-KING COUNTY-SNOHOMISH COUNTY AND SUBSIDIARIES**  
**Consolidated Statement of Changes in Net Assets**  
**For the Year Ended December 31, 2020**  
**(With Comparative Totals for 2019)**

	Without Donor Restrictions			With Donor Restrictions	2020 Total	2019 Total
	Controlling Interest	Noncontrolling Interest	Total			
Beginning of year net assets	\$ 50,219,231	\$ 20,743,431	\$ 70,962,662	\$ 33,610,648	\$ 104,573,310	\$ 87,872,417
Change in net assets from operating and nonoperating activities excluding noncontrolling interest	22,442,963		22,442,963	(713,657)	21,729,306	2,613,923
Change in net assets from noncontrolling interests- Operating and nonoperating net losses		(3,338,760)	(3,338,760)		(3,338,760)	(2,910,944)
Syndication costs						(65,000)
Partner contributions						17,062,914
Total change in net assets	<u>22,442,963</u>	<u>(3,338,760)</u>	<u>19,104,203</u>	<u>(713,657)</u>	<u>18,390,546</u>	<u>16,700,893</u>
<b>End of Year Net Assets</b>	<b><u>\$ 72,662,194</u></b>	<b><u>\$ 17,404,671</u></b>	<b><u>\$ 90,066,865</u></b>	<b><u>\$ 32,896,991</u></b>	<b><u>\$ 122,963,856</u></b>	<b><u>\$ 104,573,310</u></b>

See accompanying notes.

**YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF  
SEATTLE-KING COUNTY-SNOHOMISH COUNTY AND SUBSIDIARIES**

**Consolidated Statement of Functional Expenses  
For the Year Ended December 31, 2020**

	Program Services				Supporting Services			2020 Total Expenses
	Housing	Economic Advancement	Health and Safety	Total Program	Management and General	Fund-Raising	Total Supporting	
Salaries	\$ 6,701,046	\$ 1,926,507	\$ 1,384,139	\$ 10,011,692	\$ 1,770,525	\$ 612,574	\$ 2,383,099	\$ 12,394,791
Employee benefits	1,156,352	291,306	175,226	1,622,884	240,662	83,213	323,875	1,946,759
Payroll taxes	642,776	181,304	135,961	960,041	143,181	57,376	200,557	1,160,598
<b>Total personnel costs</b>	<b>8,500,174</b>	<b>2,399,117</b>	<b>1,695,326</b>	<b>12,594,617</b>	<b>2,154,368</b>	<b>753,163</b>	<b>2,907,531</b>	<b>15,502,148</b>
Grants to others	8,502,441	362,554	2,728,990	11,593,985	1,316	274	1,590	11,595,575
Occupancy	4,498,158	140,604	68,892	4,707,654	13,542	45,698	59,240	4,766,894
Interest	1,922,879	31,815		1,954,694				1,954,694
Professional services	1,006,843	169,171	34,516	1,210,530	159,843	345,623	505,466	1,715,996
Supplies	459,577	205,566	85,774	750,917	174,047	86,875	260,922	1,011,839
Telephone	339,814	226,153	45,675	611,642	53,110	18,026	71,136	682,778
Property and liability insurance	375,507	47,919	28,111	451,537	72,416	15,312	87,728	539,265
Licenses, permits and fees	186,760	1,729	278	188,767	58,236	23,426	81,662	270,429
Equipment rental	149,657	69,415	11,434	230,506	13,030	2,881	15,911	246,417
Miscellaneous	165,006	961	357	166,324	9,945	2,625	12,570	178,894
Transportation	85,950	29,728	15,904	131,582	13,518	5,566	19,084	150,666
Printing and publications	4,515	1,079	1,058	6,652	10,139	92,618	102,757	109,409
Advertising	20,442	7,993	4,152	32,587	33,470	15,623	49,093	81,680
Dues	44,508	370	75	44,953	4,808	21	4,829	49,782
Conferences and meetings	21,932	5,738	9,692	37,362	3,670	4,917	8,587	45,949
Payments to affiliated organizations					40,000		40,000	40,000
Postage and shipping	12,584	1,154	1,361	15,099	4,127	18,422	22,549	37,648
In-kind expenses	13,906			13,906				13,906
<b>Total Expenses Before Depreciation</b>	<b>26,310,653</b>	<b>3,701,066</b>	<b>4,731,595</b>	<b>34,743,314</b>	<b>2,819,585</b>	<b>1,431,070</b>	<b>4,250,655</b>	<b>38,993,969</b>
Depreciation of buildings	3,162,068	104,764	80,379	3,347,211	44,923	13,733	58,656	3,405,867
Depreciation of equipment	362,357	76,939	50,599	489,895	149,279	27,697	176,976	666,871
<b>Total Expenses</b>	<b>\$ 29,835,078</b>	<b>\$ 3,882,769</b>	<b>\$ 4,862,573</b>	<b>\$ 38,580,420</b>	<b>\$ 3,013,787</b>	<b>\$ 1,472,500</b>	<b>\$ 4,486,287</b>	<b>\$ 43,066,707</b>

See accompanying notes.

**YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF  
SEATTLE-KING COUNTY-SNOHOMISH COUNTY AND SUBSIDIARIES**

**Consolidated Statement of Functional Expenses  
For the Year Ended December 31, 2019**

	Program Services				Supporting Services			2019 Total Expenses
	Housing	Economic Advancement	Health and Safety	Total Program	Management and General	Fund-Raising	Total Supporting	
Salaries	\$ 7,467,127	\$ 2,401,327	\$ 1,454,425	\$ 11,322,879	\$ 1,722,282	\$ 777,608	\$ 2,499,890	\$ 13,822,769
Employee benefits	1,196,615	344,219	197,324	1,738,158	225,423	105,320	330,743	2,068,901
Payroll taxes	645,212	212,754	126,126	984,092	131,573	65,891	197,464	1,181,556
<b>Total personnel costs</b>	<b>9,308,954</b>	<b>2,958,300</b>	<b>1,777,875</b>	<b>14,045,129</b>	<b>2,079,278</b>	<b>948,819</b>	<b>3,028,097</b>	<b>17,073,226</b>
Grants to others	7,248,181	167,628	741,525	8,157,334	165		165	8,157,499
Occupancy	3,913,723	148,553	44,249	4,106,525	74,241	53,480	127,721	4,234,246
Interest	1,945,522	37,440		1,982,962	12		12	1,982,974
Supplies	341,077	148,922	48,618	538,617	283,223	168,860	452,083	990,700
Professional services	530,864	85,902	19,697	636,463	462,694	277,035	739,729	1,376,192
Property and liability insurance	350,328	56,187	33,593	440,108	60,350	17,219	77,569	517,677
Transportation	180,100	60,131	57,059	297,290	17,027	14,842	31,869	329,159
Telephone	251,466	119,133	38,558	409,157	30,001	9,996	39,997	449,154
Miscellaneous	537,184	1,079	581	538,844	11,330	1,704	13,034	551,878
Equipment rental	138,150	76,517	13,867	228,534	11,784	6,475	18,259	246,793
Printing and publications	10,369	1,539	1,980	13,888	50,060	134,146	184,206	198,094
Licenses, permits and fees	100,313	2,269	3,311	105,893	36,132	18,308	54,440	160,333
Conferences and meetings	62,488	15,948	8,658	87,094	36,818	7,243	44,061	131,155
Advertising	23,113	12,706	4,613	40,432	135,135	17,036	152,171	192,603
Dues	43,277	217	3,615	47,109	5,896	733	6,629	53,738
Payments to affiliated organizations					39,999		39,999	39,999
In-kind expenses	81,598	2,471	1,731	85,800	3,800		3,800	89,600
Postage and shipping	13,459	1,654	2,348	17,461	4,562	7,235	11,797	29,258
<b>Total Expenses Before Depreciation</b>	<b>25,080,166</b>	<b>3,896,596</b>	<b>2,801,878</b>	<b>31,778,640</b>	<b>3,342,507</b>	<b>1,683,131</b>	<b>5,025,638</b>	<b>36,804,278</b>
Depreciation of buildings	3,266,658	128,238	24,555	3,419,451	69,102	16,826	85,928	3,505,379
Depreciation of equipment	662,855	41,508	31,202	735,565	68,712	16,985	85,697	821,262
<b>Total Expenses</b>	<b>\$ 29,009,679</b>	<b>\$ 4,066,342</b>	<b>\$ 2,857,635</b>	<b>\$ 35,933,656</b>	<b>\$ 3,480,321</b>	<b>\$ 1,716,942</b>	<b>\$ 5,197,263</b>	<b>\$ 41,130,919</b>

See accompanying notes.

**YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF  
SEATTLE-KING COUNTY-SNOHOMISH COUNTY AND SUBSIDIARIES**  
**Consolidated Statement of Cash Flows**  
**For the Year Ended December 31, 2020**  
**(With Comparative Totals for 2019)**

	<u>2020</u>	<u>2019</u>
<b>Cash Flows From Operating Activities:</b>		
Change in net assets from operating and nonoperating activities	\$ 18,390,546	\$ (297,021)
Adjustments to reconcile change in net assets to net cash provided by operating activities-		
Contributions restricted to long-term investment	(5,350)	(159,200)
Financing cost amortization	41,758	97,713
Depreciation and amortization	4,072,738	4,326,641
Loan fees write off		26,543
Unrealized and realized gain on investments	(2,097,529)	(4,769,902)
Changes in operating assets and liabilities:		
Accounts and grants receivable	(2,401,594)	1,335,719
Pledges receivable	1,280,222	204,564
Prepaid expenses and other assets	(158,367)	(183,625)
Right of use asset	(584,829)	
Accounts payable	18,799	62,919
Accrued salaries	(91,758)	42,433
Other current liabilities	438,394	(207,899)
Lease liability	590,584	
Deferred revenue	(14,283)	(14,286)
<b>Net Cash Provided by Operating Activities</b>	<b>19,479,331</b>	<b>464,599</b>
<b>Cash Flows From Investing Activities:</b>		
Purchases of land, buildings and equipment	(8,617,419)	(3,193,446)
Proceeds from sale of investments	998,576	1,528,339
Purchase of investments	(20,587,366)	(1,240,436)
Change in investment portion of limited use assets		311,446
<b>Net Cash Used by Investing Activities</b>	<b>(28,206,209)</b>	<b>(2,594,097)</b>
<b>Cash Flows From Financing Activities:</b>		
Capital contributions from noncontrolling interest		17,062,914
Payment of syndication costs		(65,000)
Principal payments on long-term debt	(630,814)	(17,934,739)
Net change in line of credit		(2,927,523)
Proceeds from Paycheck Protection Program loan	3,183,575	
Proceeds from issuance of long-term debt	8,632,126	13,935,290
Proceeds from contributions restricted for long-term investment	5,350	159,300
<b>Net Cash Provided by Financing Activities</b>	<b>11,190,237</b>	<b>10,230,242</b>
<b>Net Change in Cash, Cash Equivalents and Restricted Cash</b>	<b>2,463,359</b>	<b>8,100,744</b>

See accompanying notes.

**YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF  
SEATTLE-KING COUNTY-SNOHOMISH COUNTY AND SUBSIDIARIES**  
**Consolidated Statement of Cash Flows (Continued)**  
**For the Year Ended December 31, 2020**  
**(With Comparative Totals for 2019)**

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	<u>2020</u>	<u>2019</u>
Cash, cash equivalents and restricted cash balance, beginning of year	<u>16,882,904</u>	<u>8,782,160</u>
<b>Cash, Cash Equivalents and Restricted Cash Balance, End of Year</b>	<b><u>\$ 19,346,263</u></b>	<b><u>\$ 16,882,904</u></b>
<b>Cash, Cash Equivalents and Restricted Cash Balance on the Consolidated Statements of Financial Position</b>		
Cash and cash equivalents	\$ 15,161,572	\$ 12,874,715
Cash portion of limited use assets	<u>4,184,692</u>	<u>4,008,189</u>
<b>Total Cash, Cash Equivalents and Restricted Cash Balance</b>	<b><u>\$ 19,346,264</u></b>	<b><u>\$ 16,882,904</u></b>
<b>Supplementary Disclosure of Cash Flow Information:</b>		
Cash paid during the year for interest	\$ 1,885,726	\$ 1,798,548
Fixed assets purchased on account	\$ 1,584,208	\$ 60,033

See accompanying notes.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF  
SEATTLE-KING COUNTY-SNOHOMISH COUNTY AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**  
**For the Year Ended December 31, 2020**  
**(With Comparative Totals for 2019)**

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**Note 1 - Nature of Activities**

Young Women's Christian Association of Seattle-King County-Snohomish County, dba YWCA Seattle | King | Snohomish, and Subsidiaries (collectively, the Organization) was established in 1894.

OUR MISSION: YWCA is on a mission to eliminate racism and empower women.

OUR VISION: A healthy community transformed by racial and gender equity, where women and girls of color have equal access to opportunity, and there is social justice for all people.

OUR CORE BELIEFS:

- When the barriers of institutional and structural racism are broken down, everyone will benefit.
- Because women of color have been historically marginalized and excluded, their voices must be centered in this work.
- When people are confident in their inherent strength and communities are valued and self-directed, they are empowered.
- We must stand together across lines of difference with courage, compassion, and commitment to transform our community.

The Organization's comprehensive, integrated intervention and prevention services are offered in three program areas. Our programs work toward overcoming racial and gender disparities and institutional barriers that drive inequities in housing, employment, health care access and quality of life. Our services prioritize women and girls who are low income and face the greatest racial disparities. The three program service areas are:

Housing - Permanent housing, emergency shelter and time-limited housing, housing case management, homelessness prevention programs, and homeless services, including Angeline's Center for Homeless Women.

Economic Advancement - Employment and financial empowerment programs, career centers and specialized services, child care and afterschool programs, and the GirlsFirst program.

Health and Safety - Domestic violence services for adults and children, education and advocacy for people needing access to health care, Sexual Violence Legal Services, and BABES Network.

**Note 2 - Summary of Significant Accounting Policies**

**Principles of Consolidation** - The consolidated financial statements include the accounts of Young Women's Christian Association of Seattle-King County-Snohomish County (YWCA), and its controlled subsidiary organizations, Young Women's Service Association of Seattle-King County (YWSA), YWCA Family Village at Redmond LLC, YW AHF Mountlake Terrace LLC, YW AHF Lynnwood LLC, YW AHF Everett LLC, YWCA Greenbridge LLC, YW Home Now LLC, YWCA Family Village at Issaquah LLC, YWCA Family Village at Issaquah II LLC, Summerfield Admin GP LLC, Summerfield Rehab LLLP, Snohomish Portfolio Admin GP LLC, Snohomish Portfolio LLLP, Opportunity Place Housing Admin GP LLC, Opportunity Place Housing LLLP, and Seneca Admin GP LLLP. All intercompany transactions have been eliminated.

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**Note 2 - Continued**

YWSA - During 1986, the YWSA, a Washington nonprofit corporation, was established by YWCA. YWSA was formed to renovate the single-room occupancy facilities of floors five through eight of the facility located at 1118 Fifth Avenue in Seattle. In 2007, to facilitate the acceptance of New Markets Tax Credit, YWCA donated the balance of the facility located at 1118 Fifth Avenue to the YWSA. The YWSA now owns the entire building. YWCA retains control of YWSA via totally interlocking boards of directors and a single chief executive officer.

YWCA Family Village at Redmond LLC - YWCA Family Village at Redmond LLC is a separate entity created in 2010 to own the Family Village at Redmond permanent supportive housing project. YWCA Family Village at Redmond LLC is wholly-owned by YWCA and is therefore included in the consolidated financial statements of the Organization.

YWCA Greenbridge LLC - YWCA Greenbridge LLC is a separate entity created in 2007 to purchase and hold real property. It holds title to the YWCA Learning Center at Greenbridge, located in the White Center area of unincorporated King County, which was completed in November 2008. YWCA Greenbridge LLC is wholly-owned by YWCA and is therefore included in the consolidated financial statements of the Organization.

YW Home Now LLC - YW Home Now LLC (Home Now) is a separate entity created in 2006 to act as a member in future YWCA housing projects. Home Now owns the Passage Point supportive housing project. In 2007, King County granted an easement that gave the land and existing buildings to Home Now for YWCA's use over the next 50 years as long as the site is used to provide services. The project renovated the former Cedar Hills Alcohol Treatment Center in Maple Valley into 46 housing units for persons exiting the correction system, which was completed in 2011. Home Now is wholly-owned by YWCA and is therefore included in the consolidated financial statements of the Organization.

YWCA Family Village at Issaquah LLC - YWCA Family Village at Issaquah LLC is a separate entity created in 2009 to purchase and hold real property. It holds title to Phase I of YWCA Family Village at Issaquah, which includes 98 units of housing and non-housing spaces. Construction of the project was completed in 2011. YWCA Family Village at Issaquah LLC is wholly-owned by YWCA and is therefore included in the consolidated financial statements of the Organization.

YWCA Family Village at Issaquah II LLC - YWCA Family Village at Issaquah II LLC is a separate entity created in 2009 to purchase and hold real property. It holds title to Phase II of YWCA Family Village at Issaquah, which includes 48 units of housing. YWCA is the managing member of the LLC with a 0.01% interest in income, losses and capital events of the LLC. Construction of the project was completed in 2011. The activities of YWCA Family Village at Issaquah II LLC are consolidated with the financial statements of YWCA in accordance with U.S. GAAP, as YWCA has substantial control.

Summerfield Admin GP LLC - In 2015, YWCA and a related party individual formed this entity, which was created to serve as the administrative general partner of Summerfield Rehab LLLP. YWCA owns 79% of Summerfield Admin GP LLC. The activities of Summerfield Admin GP LLC are consolidated with the financial statements of YWCA in accordance with U.S. GAAP, as YWCA has a controlling interest.



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**Note 2 - Continued**

Summerfield Rehab LLLP - In 2015, Summerfield Rehab LLLP was formed. This entity was set up to purchase the Summerfield Apartments in 2016 as part of the refinancing of that property with Low Income Housing Tax Credits. The partnership is made up of an Investment Limited Partner, a Special Limited Partner, an Administrative General Partner (Summerfield Admin GP LLC), and a Nonprofit General Partner, with ownership interest of 99.99%, 0.0%, 0.009%, and 0.001%, respectively. DASH, another local nonprofit housing provider, is the Nonprofit General Partner. The activities of Summerfield Rehab LLLP are consolidated with the financial statements of YWCA in accordance with U.S. GAAP, as YWCA has substantial control.

Snohomish Portfolio Admin GP LLC - In 2016, YWCA and DASH, another local nonprofit housing provider, formed this entity, which was created to serve as the administrative general partner of Snohomish Portfolio LLLP. YWCA owns 79% of Snohomish Portfolio Admin GP LLC. The activities of Snohomish Portfolio Admin GP LLC are consolidated with the financial statements of YWCA in accordance with U.S. GAAP, as YWCA has a controlling interest.

Snohomish Portfolio LLLP - In 2016, Snohomish Portfolio LLLP was formed. This entity was set up with the intent to purchase three Snohomish County housing complexes (Wear To Live, Somerset Village and Victorian Woods) in 2017 as part of the refinancing of those properties with Low Income Housing Tax Credits. The partnership is made up of an Investment Limited Partner, a Special Limited Partner, an Administrative General Partner (Snohomish Portfolio Admin GP LLC), and a Nonprofit General Partner, with ownership interests of 99.99%, 0.0%, 0.009%, and 0.001%, respectively. The activities of Snohomish Portfolio LLLP are consolidated with the financial statements of YWCA in accordance with U.S. GAAP, as YWCA has substantial control.

Opportunity Place Housing Admin GP LLC - In 2019, YWCA and DASH, another local nonprofit housing provider, formed this entity, which was created to serve as the administrative general partner of Opportunity Place Housing LLLP. YWCA owns 79% of Opportunity Place Housing Admin GP LLC. The activities of Opportunity Place Housing Admin GP LLC are consolidated with the financial statements of YWCA in accordance with U.S. GAAP, as YWCA has a controlling interest.

Opportunity Place Housing LLLP - In 2019, Opportunity Place Housing LLLP was formed. This entity was set up to purchase the Opportunity Place Apartments as part of the refinancing of that property with Low Income Housing Tax Credits. The partnership is made up of an Investment Limited Partner, a Special Limited Partner, an Administrative General Partner (Opportunity Place Housing Admin GP LLC), and a Nonprofit General Partner, with ownership interest of 99.99%, 0.0%, 0.009%, and 0.001%, respectively. DASH, another local nonprofit housing provider, is the Nonprofit General Partner. The activities of Opportunity Place Housing LLLP are consolidated with the financial statements of YWCA in accordance with U.S. GAAP, as YWCA has substantial control.

Seneca Admin GP LLC - Seneca Admin GP LLC YWCA is a separate entity created in 2020 with the intention of pursuing tax credit financing for the rehabilitation of the Seneca building. Seneca Admin GP LLC is wholly-owned by YWCA and is therefore included in the consolidated financial statements of the Organization.

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**Note 2 - Continued**

**Basis of Presentation** - In accordance with U.S. GAAP, net assets and revenues, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the 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, or are no longer subject to, donor-imposed stipulations.

Net Assets With Donor Restrictions - Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization and/or the passage of time.

**Cash and Cash Equivalents** - For the purpose of the consolidated statement of cash flows, the Organization considers all highly-liquid investments purchased with original maturities of three months or less, including those with limited restriction of use for reserves and tenant deposits, except for those held in its investment and reserves portfolios, to be cash and cash equivalents. At times during the year, the Organization had cash and cash equivalents in excess of federally insured limits on deposit in a single credit institution.

**Limited Use Assets** - The Organization is required under debt agreements and tenant rental activities to hold assets in restricted accounts.

Limited use assets consisted of the following at December 31:

	<u>2020</u>	<u>2019</u>
Cash-		
Building reserve accounts	\$ 3,800,210	\$ 3,623,730
Tenant security deposits	384,482	384,459
	<u>\$ 4,184,692</u>	<u>\$ 4,008,189</u>

**Accounts and Grants Receivable** - Accounts and grants receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances still outstanding after management has used reasonable collection efforts are written-off through a charge to the valuation allowance and a credit to accounts and grants receivable. The valuation allowance and changes in the valuation allowance have not been material to the consolidated financial statements, and therefore an allowance has not been recorded.

**Investments** - Investments in marketable securities with readily determinable fair values and all investments in debt securities are measured at fair value in the consolidated statement of financial position. Investment income or loss (including realized and unrealized gains and losses on investments) is included in the change in net assets without donor restrictions unless the income or loss is restricted by donor or law. Investment balances are in excess of the available SPIC insurance.

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**Note 2 - Continued**

**Land, Buildings and Equipment** - Land, buildings and equipment with a cost or value greater than \$5,000 are recorded at cost or, if donated, at the approximate fair value at the date of donation. Improvements are capitalized while expenditures for maintenance and repairs are charged to expense as incurred. Depreciation has been provided for furnishings and equipment on the straight-line basis over 3 to 12 years; for site and building improvements on a straight-line basis over 15 to 20 years; and for buildings on the straight-line basis over 40 years. Leasehold improvements have been amortized over the shorter of the useful lives of the assets or the lease term.

**Impairment of Real Estate** - The Organization reviews its investment in real estate for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the assets, net of accumulated depreciation, to the future net undiscounted cash flow expected to be generated and any estimated proceeds from the eventual disposition. If the real estate is considered impaired, the impairment to be recognized is measured at the amount by which the carrying amount exceeds the fair value as determined from the appraisal, discounted cash flows analysis, or other valuation technique. There was no impairment loss recognized for the years ended December 31, 2020 or 2019.

**Donated Property and Services** - Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Items of questionable or uncertain value are not recorded. Otherwise, donations are reported as support without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as support with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Donated services are recorded at fair value if they create or enhance a nonfinancial asset or if they consist of specialized skills that would have been purchased if they were not donated. In most cases, this represents labor to construct or improve an asset or necessary professional services.

**Leases** - In February 2016, the FASB issued Accounting Standards Update (ASU) No. 2016-02, *Leases (Topic 842)* to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. Effective January 1, 2020, the Organization adopted the new lease accounting guidance in Topic 842 with comparative periods continuing to be reported under Topic 840. The Organization has elected a package of practical expedients permitted in Topic 842. As a result, the Organization accounted for its existing contracts without reassessing (a) whether the contract contains a lease under Topic 842, (b) lease classification for any existing or expired leases, or (c) whether the unamortized initial direct costs before transition adjustment would have met the definition of initial direct costs in Topic 842 at lease commencement. Additionally, the Organization has elected a practical expedient, to use hindsight in determining the lease term (that is, when considering lessee options to extend or terminate the lease and to purchase the underlying asset) and in assessing impairment of the entity's right-of-use (ROU) assets. As a result of the adoption of the new lease accounting guidance, the Organization recognized on January 1, 2020 a lease liability and right-of-use asset of approximately \$867,000.

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**Note 2 - Continued**

The Organization determines if an arrangement is a lease at inception, including the classification of operating or finance. Operating leases are included in ROU assets and lease liabilities on the consolidated statement of financial position. ROU assets represent a right to use an underlying asset for the lease term and operating lease liabilities represent the Organization's obligation to make lease payments arising from the lease. ROU assets and lease liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. The Organization's leases do not provide an implicit rate of return; thus, the Organization uses a risk-free discount rate, determined using a period comparable with that of the lease term at the lease commencement date. The ROU asset also includes any lease payments already made, other initial direct costs and excludes lease incentives. Lease terms may include options to extend or terminate the lease when it is reasonably certain the Organization will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term. A ROU asset and operating lease liability is not recognized for leases with an initial term of 12 months or when total lease payments are less than \$50,000.

**Grants to Others** - The Organization provides payments on behalf of individual clients and also pass-through grants to other organizations. The assistance for clients includes rental, utility, transportation, childcare, food, tuition, clothing and other types of assistance.

**Revenue and Support** - The Organization recognizes 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 are not recognized as revenues until the conditions on which they depend have been met. Government contracts and grants are conditioned upon certain performance requirements and the incurrence of allowable qualifying expenses. It is the Organization's policy to record donor-restricted contributions that were initially conditional contributions that are received and expended in the same accounting period as activity of net assets without donor restrictions. All other donor-restricted contributions are recorded as activity of net assets with donor restrictions and a release of restriction is recorded when the restriction is met. At December 31, 2020 and 2019, conditional contributions approximating \$12,240,599 and \$8,870,519, respectively, of which no amounts had been received in advance, have not been recognized in the accompanying financial statements.

The Organization operates affordable housing properties. Rental revenue is recognized for apartment rentals as it accrues. Advance receipts of rental revenue are classified as prepaid rent liabilities until earned. A portion of the Organization's rental revenue is received in the form of governmental rental subsidy payments.

**Operating and Nonoperating Activities** - All activities are considered operating except for endowment contributions, contributions of long-term assets or contributions restricted for the acquisition of long-term assets and the related releases, loan forgiveness, and nonoperating investment income (Note 5).

**Federal Income Tax** - YWCA and YWSA have been notified by the Internal Revenue Service that they are exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code. Summerfield Housing LLC, YWCA Family Village at Redmond LLC, YWCA Greenbridge LLC, YWCA Home Now LLC, YWCA Family Village at Issaquah LLC, and Seneca Admin GP LLLP are all treated as disregarded entities for federal income tax purposes and therefore, income or loss is included in YWCA's tax return. YWCA Family Village at Issaquah II, LLC; Summerfield Admin GP LLC; Summerfield Rehab LLLP; Snohomish Portfolio Admin GP LLC; Snohomish Portfolio LLLP; Opportunity Place Housing Admin GP LLC; and Opportunity Place Housing LLLP have no provision or benefit for income taxes included in these consolidated financial statements since taxable income or loss passes through to, and is reportable by, each partner or member individually.

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**Note 2 - Continued**

**Methods Used for Functional Allocation of Expenses** - The consolidated financial statements report certain categories of expenses that are attributable to one or more program or supporting services of the Organization. The Organization has adopted a Cost Allocation Plan (the Plan) to document how it distributes direct costs shared by multiple programs. The guidelines of the Plan are to allocate costs to programs based on the extent that each program benefits. Shared expenses allocated include occupancy costs, senior program management staff compensation and related expenses, and information systems. Occupancy costs are allocated based on square footage. Management staff expenses are allocated based on the budgeted compensation for each program. Information systems expenses are allocated based on the number of workstations used by each program.

**Use of Estimates** - The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions affecting the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Comparative Totals** - The consolidated financial information includes certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Organization's consolidated financial statements for the year ended December 31, 2019, from which the summarized information was derived.

**Subsequent Events** - The Organization has evaluated subsequent events through July 13, 2021, the date on which the consolidated financial statements were issued.

**Note 3 - Pledges Receivable**

Pledges receivable are due as follows:

	<u>2020</u>	<u>2019</u>
Receivable in less than one year	\$ 139,299	\$ 1,017,855
Receivable in one to five years	<u>185,090</u>	<u>625,001</u>
	324,389	1,642,856
Less allowance for uncollectible pledges	(74,049)	(74,049)
Less unamortized discount (1.9% for pledges received in 2020)	(1,857)	(40,102)
Less current portion, net	<u>(139,299)</u>	<u>(1,016,955)</u>
<b>Total Long-Term Portion</b>	<b><u>\$ 109,184</u></b>	<b><u>\$ 511,750</u></b>

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**Note 4 - Land, Buildings and Equipment**

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

	<u>2020</u>	<u>2019</u>
Land	\$ 17,409,964	\$ 17,409,964
Buildings and leasehold improvements	152,855,867	141,473,709
Construction in progress	846,237	2,116,951
Furniture and equipment	<u>6,081,949</u>	<u>6,060,138</u>
	177,194,017	167,060,762
Less accumulated depreciation	<u>(39,998,941)</u>	<u>(35,963,957)</u>
<b>Total Land, Buildings and Equipment, Net</b>	<b><u>\$ 137,195,076</u></b>	<b><u>\$ 131,096,805</u></b>

**Note 5 - Investments**

Investments held at December 31 are summarized as follows:

	<u>2020</u>	<u>2019</u>
Government securities	\$ 21,996,437	\$ 1,370,422
Fixed income	1,902,237	2,012,490
Marketable fixed income mutual funds	8,245,693	9,493,731
Marketable equity mutual funds	24,034,635	21,699,211
Alternative investment funds	<u>1,823,966</u>	<u>1,740,795</u>
<b>Total Investments</b>	<b><u>\$ 58,002,968</u></b>	<b><u>\$ 36,316,649</u></b>

Interest and dividends include earnings on investment portfolio and cash balances. Investment return for the years ended December 31 was as follows:

	<u>2020</u>	<u>2019</u>
Interest and dividends	\$ 2,252,795	\$ 1,923,118
Unrealized and realized gains	2,097,529	4,769,902
Investment fees	<u>(46,093)</u>	<u>(63,374)</u>
<b>Total Investment Return</b>	<b><u>\$ 4,304,231</u></b>	<b><u>\$ 6,629,646</u></b>

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**Note 5 - Continued**

Operating investment return is based on the board approved payout from accumulated earnings on endowment funds that are used to fund current operations of the Organization. All other investment return is considered nonoperating revenue.

	<u>2020</u>	<u>2019</u>
Operating investment return	\$ 1,447,074	\$ 1,607,431
Nonoperating investment return	<u>2,857,157</u>	<u>5,022,215</u>
<b>Total Investment Return</b>	<b><u>\$ 4,304,231</u></b>	<b><u>\$ 6,629,646</u></b>

**Note 6 - Fair Values of Assets and Liabilities Measured on a Recurring Basis**

**Valuation Techniques** - U.S. GAAP provides a consistent model for determining fair value measurements for financial assets and liabilities. U.S. GAAP identifies three levels of inputs that are used for measuring fair value. Financial assets and liabilities valued using Level 1 inputs are based on unadjusted quoted market prices within active markets for identical assets and liabilities. Financial assets and liabilities valued using Level 2 inputs are based primarily on quoted prices for similar assets or liabilities in active or inactive markets. Financial assets and liabilities using Level 3 inputs are primarily valued using management's assumptions about the assumptions market participants would utilize in pricing the asset or liability. Valuation techniques utilized to determine fair value are consistently applied.

The Organization measures the value of investments that do not have readily determinable fair values on the basis of the net asset value (NAV) per share, or its equivalent, as a practical expedient for measuring fair value. The Organization performs due diligence reviews of the NAV in the capital accounts with its investment managers to ensure conformity with U.S. GAAP. The Organization has assessed factors including, but not limited to, managers' compliance with fair value measurement standards, price transparency and valuation procedures in place, the ability to redeem at NAV at the measurement date, and existence of certain redemption restrictions at the measurement date. NAV is determined by audited financial statements of the investments and quarterly valuation updates provided by investment managers. The NAV of an investment may be adjusted to reflect illiquidity or non-transferability of an investment.

Following is a description of the valuation methodologies used for assets and liabilities measured at fair value. There have been no changes in the methodologies used at December 31, 2020 or 2019.

Cash and Cash Equivalents - Amounts are primarily held in money market funds which are valued at cost plus accrued interest, which approximates fair value.

Mutual Funds and Government Bonds - Valued at quoted market prices for identical assets in active markets.

Corporate Bonds - Valued at the present value of the bond's cash flow.

Alternative Investment Funds - Valued using audited financial statements of the investments and quarterly valuation updates provided by investment managers, which represent the NAV of shares held at year end.

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**Note 6 - Continued**

**Fair Values Measured on a Recurring Basis** - Fair values of assets and liabilities measured on a recurring basis at December 31, 2020, were as follows:

	Fair Value Measurements as of December 31, 2020			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 21,996,437	\$ -	\$ -	\$ 21,996,437
Debt securities-				
Corporate bonds		308,262		308,262
Government bonds	1,593,975			1,593,975
Mutual funds-				
Multisector bond	2,533,483			2,533,483
World bond	1,374,035			1,374,035
Large value	2,955,559			2,955,559
Intermediate term bond	4,338,175			4,338,175
Real estate	1,434,970			1,434,970
Diversified emerging markets	2,530,394			2,530,394
Mid-cap value	3,320,919			3,320,919
Foreign small/mid value	1,826,011			1,826,011
Foreign large blend	3,045,027			3,045,027
Large blend	8,921,755			8,921,755
<b>Total Assets at Fair Value</b>	<b>\$ 55,870,740</b>	<b>\$ 308,262</b>	<b>\$ -</b>	56,179,002
Investments measured at NAV <sup>(a)</sup>				1,823,966
<b>Total Investments</b>				<b>\$ 58,002,968</b>

(a) In accordance with U.S. GAAP certain investments that were measured at fair value using the NAV per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the consolidated statement of financial position.



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**Note 6 - Continued**

The following table lists by category, private investments in partnerships and managed accounts for which fair value is measured using the NAV per share practical expedient by concentration, summarizes significant terms of the agreements with certain investment companies, and discloses unfunded investment commitments:

Strategy	Alternative investment funds
Net asset value at December 31, 2020	\$ 1,823,966
Unfunded Commitments	\$ -
Redemption Frequency	Pre-set basis, annually after "lock up" periods or as permitted by the general partner, in its discretion.
Redemption Notice Period	105 days
Other Restrictions	Lock up period of 24 months from the date interest is acquired.

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

	Fair Value Measurements as of December 31, 2019			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 1,370,422	\$ -	\$ -	\$ 1,370,422
Debt securities-				
Government bonds	2,012,490			2,012,490
Mutual funds-				
Multisector bond	2,518,837			2,518,837
World bond	1,754,219			1,754,219
Large value	2,935,474			2,935,474
Intermediate term bond	5,220,673			5,220,673
Real estate	1,573,794			1,573,794
Diversified emerging markets	2,251,294			2,251,294
Mid-cap value	3,028,650			3,028,650
Foreign small/mid value	1,847,010			1,847,010
Foreign large blend	2,651,861			2,651,861
Large blend	7,411,130			7,411,130
<b>Total Assets at Fair Value</b>	<b>\$ 34,575,854</b>	<b>\$ -</b>	<b>\$ -</b>	<b>34,575,854</b>
Investments measured at NAV				1,740,795
<b>Total Investments</b>				<b>\$ 36,316,649</b>

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**Note 7 - Debt**

At December 31, long-term debt consisted of the following:

	2020	2019
<u>Lexington-Concord Building:</u>		
Note payable to the City of Seattle; bearing interest at 1% per annum; secured by a Deed of Trust on the building; due July 5, 2028; however, if all terms and conditions of the loan are met, extensions may be requested at five-year intervals; interest will be forgiven over a 20-year period beginning July 5, 2028 provided all terms and conditions have been met; note balance includes accrued interest of \$483,330 and \$467,739 at December 31, 2020 and 2019, respectively.	\$ 2,042,445	\$ 2,026,854
<u>Bellevue Townhomes:</u>		
Note payable to King County; noninterest bearing; secured by a mortgage on the townhomes; loan will be forgiven on June 6, 2047, if used for the purposes specified in the Housing Trust Fund Agreement (federal funds - HOME program).	79,000	79,000
Note payable to the City of Bellevue; noninterest bearing; secured by a mortgage on the townhomes; loan will be forgiven on May 29, 2047, if used for the purposes specified in the Regulatory Agreement and Declaration of Restrictive Covenants (federal funds - Community Development Block Grant).	30,800	30,800
<u>Windermere House:</u>		
Note payable to the City of Seattle; no longer accruing interest; interest forgiveness of \$2,163 per annum as of October 30, 2010; secured by a Deed of Trust on the house; loan was due September 30, 2019; the note balance includes accrued interest of \$19,457 and \$21,620 at December 31, 2020 and 2019, respectively. Management is working with the lender to obtain an extension.	239,330	241,493
<u>East Union Apartments:</u>		
Note payable to the City of Seattle; accruing interest at 1% per annum through August 2014; interest forgiveness beginning in 2015; secured by a Deed of Trust on the apartments; loan matures on August 1, 2034; the note balance includes accrued interest of \$21,884 and \$23,448 at December 31, 2020 and 2019, respectively.	187,690	189,254

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**Note 7 - Continued**

	<u>2020</u>	<u>2019</u>
<u>YWCA Opportunity Place:</u>		
Note payable to the City of Seattle; noninterest bearing; loan was to be forgiven on August 31, 2019, if used for the purposes specified in the Regulatory Agreement and Declaration of Restrictive Covenants; secured by a Deed of Trust on Unit #1 (federal funds - Community Development Block Grant). Management is working with the lender to obtain forgiveness.	200,000	200,000
Note payable to the City of Seattle; secured by a Deed of Trust. Principal and accumulated interest of note was assigned to and assumed by YWCA from Angeline's LLC during the year ended December 31, 2019. Bears interest at 2.5% per annum; compounding annually; note matures November 2043; annual payments of principal and interest due from Net Cash Flow as defined in the agreement; note balance includes accrued interest of \$125,797 and \$116,632 at December 31, 2020 and 2019, respectively.	375,797	366,632
<u>Passage Point:</u>		
Note payable to King County; noninterest bearing; loan is due on December 31, 2053; nonrecourse note payable secured by a deed of trust on the Passage Point property; annual payments of principal due from Net Cash Flow as defined in the agreement.	5,171,825	5,171,825
Note payable to the State of Washington Department of Commerce; debt assumed June 2010; noninterest bearing for the first 40 years; loan matures December 28, 2051; secured by a Deed of Trust on the Passage Point property.	2,000,000	2,000,000
<u>YWCA Family Village at Redmond LLC:</u>		
Note payable to the State of Washington Department of Commerce, noninterest bearing; matures March 31, 2043; secured by Deed of Trust on Family Village project land; noninterest bearing and due upon sale or change of use of the Family Village project.	500,000	500,000

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**Note 7 - Continued**

	<u>2020</u>	<u>2019</u>
<u>YWCA Greenbridge LLC:</u> Note payable to US Bank; bearing interest at 4.80%; monthly principal and interest payments of \$12,580; note matures in January 2025; secured by a Deed of Trust and assignment of leases and rents on the YWCA Learning Center at Greenbridge; note balance includes accrued interest of \$2,349 and \$3,294 at December 31, 2020 and 2019, respectively.	570,610	691,132
<u>YWCA Family Village at Issaquah LLC:</u> Note payable to King County; 501(c)(3) tax exempt bonds 2009 (YWCA Family Village at Issaquah - Phase I); annual principal coupon rate varies from 3.25% to 5.12%, average coupon for all maturity years equals 4.88%, interest due semi-annually, principal due annually according to the bond schedule; loan backed by Contingent Loan Agreement with King County, bonds mature beginning on January 1, 2013 through January 1, 2045; secured by a Deed of Trust on the property.	4,855,000	4,965,000
Note payable to the Washington State Housing Finance Commission; noninterest bearing; matures November 30, 2059; secured by a Deed of Trust on the project; note contains a covenant agreement which restricts the use of the property to low-income housing through maturity (federal funds - TCAP Program).	13,020,680	13,020,680
Note payable to the State of Washington Department of Commerce for the Family Village at Issaquah project; loan accrues no interest until November 30, 2031, starting November 30, 2031 the loan accrues interest at 1.0% compounding quarterly, and quarterly interest payments of \$1,500 are required; the loan matures on November 30, 2061; secured by a Deed of Trust on the Family Village at Issaquah Phase I property.	600,000	600,000

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**Note 7 - Continued**

	2020	2019
Note payable to the King County Housing and Community Development for the Family Village at Issaquah project; bearing interest at 1.0%; compounded annually; no payment required until December 31, 2031; loan matures December 31, 2061; secured by a Deed of Trust on the Family Village at Issaquah Phase I property; debt balance includes accrued interest of \$200,640 and \$176,376 at December 31, 2020 and 2019, respectively.	2,450,644	2,426,376
Note payable to Cities of Bellevue, Kirkland, and Issaquah (referred to as the 'ARCH' loan) for the Family Village at Issaquah Phase I project; bearing interest at 1.0% from January 1, 2012, compounded annually; annual principal and interest payments of \$19,135 began June 2013; loan matures January 1, 2062; secured by a Deed of Trust on the Family Village at Issaquah Phase I property; debt balance includes accrued interest of \$19,595 and \$13,059 at December 31, 2020 and 2019, respectively.	660,136	672,735
<u>YWCA Family Village at Issaquah II LLC:</u>		
Note payable to King County Housing Authority associated with the issuance of 2009 Revenue Bonds (YWCA Family Village at Issaquah - Phase II); annual principal coupon rate varies from 2.4% to 4.75%, average coupon for all maturity years equals 4.17%, interest due semi-annually, principal due annually; loan backed by Contingent Loan Agreement with King County, bonds mature beginning in 2013 through 2028; secured by a Deed of Trust on the property.	2,640,000	2,700,000
Note payable to the King County Housing and Community Development for the Family Village at Issaquah project; bearing interest at 1%; compounded annually; loan matures December 31, 2061; secured by a Deed of Trust on the Family Village at Issaquah Phase II property; debt balance includes accrued interest of \$192,839 and \$171,128 at December 31, 2020 and 2019, respectively.	2,192,839	2,171,128

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**Note 7 - Continued**

	<u>2020</u>	<u>2019</u>
Note payable to the State of Washington Department of Commerce for the Family Village at Issaquah project; bearing interest at 1%, compounding quarterly; quarterly payments of principal and interest in the amount of \$6,105 are required beginning March 2032; the loan matures on December 31, 2061; secured by a Deed of Trust on the Family Village at Issaquah Phase II property. Debt balance includes accrued interest of \$188,103 and \$166,358 at December 31, 2020 and 2019, respectively.	2,188,103	2,166,358
Note payable to the Cities of Bellevue, Clyde Hill, Issaquah, Medina, Mercer Island, Newcastle, Redmond, Sammamish, and towns of Hunts Point and Yarrow Point for the Family Village at Issaquah project; interest on the outstanding amount began accruing on January 1, 2012 at an interest rate of 1.0% compounded annually; loan matures June 2062; secured by a subordinate Deed of Trust on the Family Village at Issaquah Phase II property; debt balance includes accrued interest of \$70,264 and \$62,143 at December 31, 2020 and 2019.	820,264	812,143
<u>Summerfield Rehab LLLP:</u>		
Term loan payable to King County Housing Authority; bearing interest at 4.25%; monthly principal and interest payments of \$15,797 commencing on the first day of the second full calendar month following December 19, 2017. The note is amortized over 35 years and matures March 1, 2035. Loan balance includes accrued interest of \$12,077 at both December 31, 2020 and 2019.	3,328,983	3,376,482

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**Note 7 - Continued**

	<u>2020</u>	<u>2019</u>
<u>Snohomish Portfolio LLLP:</u>		
Renovation and term loan agreement with Banner Bank associated with multi-family housing revenue bonds issued by the Washington State Housing Finance Commission. During the interim renovation loan period, monthly interest-only payments, beginning on the first day of the first month after the first advance is made on the note, are to be made with final payment of principal and interest due not later than October 1, 2019, subject to one 6-month extension option with an extended maturity of April 1, 2020. The interest rate during the renovation loan period is fixed at 3.25%. During 2019, renovation loan was converted into a term loan. An interest-only payment is due on the first day of the first full calendar month following the date of conversion, followed by monthly principal and interest payments of \$79,277. The interest rate during the term loan period is fixed at 3.625%. The note matures on October 1, 2035. Accrued interest totaled \$69,059 and \$10,883 at December 31, 2020 and 2019, respectively.	18,600,171	18,816,151
Note payable to Snohomish County; noninterest bearing; scheduled to be forgiven when the mortgaged property has been continuously used for 40 years for the purposes specified in the loan agreement; secured by a Deed of Trust on the Victorian Woods apartments (federal funds - HOME program), maturing on June 9, 2048.	615,229	615,229
<u>Opportunity Place Housing LLLP:</u>		
Renovation and term loan agreement with Banner Bank associated with multi-family housing revenue bonds issued by the Washington State Housing Finance Commission. During the interim renovation loan period, monthly interest-only payments, beginning on the first day of the first month after the first advance is made on the note, are to be made with final payment of principal and interest due not later than January 1, 2022, subject to one 6-month extension option with an extended maturity of July 1, 2022. The interest rate during the renovation loan period is fixed at 3.15%. Accrued interest totaled \$0 and \$38,025 at December 31, 2020 and 2019, respectively.	22,619,985	14,056,816

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**Note 7 - Continued**

	<u>2020</u>	<u>2019</u>
Note payable to the City of Seattle; nonrecourse note payable secured by a Deed of Trust and assignments of rents on the project. Principal and accrued interest on the note was assigned to and assumed by Opportunity Place LLLP upon syndication from Angeline's LLC during the year ended December 31, 2019. Note bears interest at 1% per annum and matures in December 2052; payments of principal and interest are due 50 years from the date of the original agreement; according to the terms of the regulatory agreement, use of the property is restricted to low-income housing through maturity; note balance includes accrued interest of \$741,089 and \$697,992 at December 31, 2020 and 2019, respectively.	<u>5,050,815</u>	<u>5,007,718</u>
Less unamortized debt issuance costs	<u>91,040,346</u> <u>(1,199,842)</u>	<u>82,903,806</u> <u>(1,106,372)</u>
	<b><u>\$ 89,840,504</u></b>	<b><u>\$ 81,797,434</u></b>

Future principal maturities of long-term debt are as follows:

For the Year Ending December 31,

2021	\$ 1,081,849
2022	16,905,420
2023	814,537
2024	843,468
2025	617,762
Thereafter	<u>62,183,234</u>
Total principal	82,446,270
Deferred interest	8,594,076
Less unamortized financing costs	(1,199,842)
Less current portion	<u>(1,081,849)</u>
<b>Total Long-Term Debt, Net of Current Portion</b>	<b><u>\$ 88,758,655</u></b>



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**Note 7 - Continued**

Interest expense totaled \$1,954,694 and \$1,982,974 for the years ended December 31, 2020 and 2019, respectively. Interest has not been imputed on any of the above mortgages that carry below-market rate loans as they are payable to governmental entities that set the interest rates and carry legal restrictions. The restrictions require the Organization to use the property for low-income housing, as defined by the mortgages' regulatory agreement.

The Organization has a line of credit agreement with a bank. The line allows for borrowings up to \$1,000,000, with interest due monthly at LIBOR plus 1.75%. Interest rate at December 31, 2020 was 1.9%. The line is collateralized by cash and investments held at the bank, and expires January 1, 2099. There were no borrowings outstanding at December 31, 2020 and 2019.

The Organization has a line of credit with its investment custodian, to pay off the US Bank Term loan. The line of credit is charged interest at a negotiated rate of federal funds plus 0.70%. Interest was charged at a rate of 0.95% and 2.45% at December 31, 2020 and 2019, respectively. The maximum amount available to borrow is dependent on the liquid funds available in the investment accounts. The maximum borrowing available as of December 31, 2020 and 2019 was \$8,845,310 and \$9,423,615, respectively. The borrowings are collateralized by existing eligible brokerage assets, provided the Organization maintains certain account balance requirements. There were no borrowings outstanding at December 31, 2020 and 2019.

**Note 8 - Paycheck Protection Program Loan**

In response to COVID-19, the U.S. Congress passed the Coronavirus Aid, Relief, and Economic Securities Act (CARES Act). Included in the CARES Act was the Paycheck Protection Program (PPP) to provide loans to qualifying small businesses and not-for-profit organizations to cover certain eligible expenses. On May 14, 2020, the Organization obtained a loan under the PPP with a principal balance of \$3,183,575 and an annual interest rate of 1%. Principal and interest are payable in monthly installments beginning ten months after the loan's covered period through maturity on May 14, 2022.

All or a portion of the PPP loan may be forgiven if certain terms and conditions of the program are met. The Organization's accounting policy for recognition of revenue from forgiveness of the PPP loan is to recognize the revenue when the loan is forgiven by the lender. No revenue was recognized during the year ended December 31, 2020. The Organization intends to apply for full forgiveness of the loan.

**Note 9 - Employee Benefits**

**Pension Plan** - The Organization contributes to the YWCA Retirement Fund, a separate 501(c)(3) not-for-profit organization (EIN 13-1624231, PN 001). The YWCA Retirement Fund operates an employer-sponsored cash balance defined benefit plan under Section 401(a) of the Internal Revenue Code. Based on the most recently available information, the Organization has determined this plan is not in "critical" or "endangered" status as defined by the Pension Protection Act enacted in 2006 (PPA) for the plan year ended December 31, 2020. "Critical" status is defined as being less than 65% funded and "endangered" is defined as being 65-80% funded. Contributions made by the Organization for the plan years ended December 31, 2020 and 2019, did not constitute 5% or more of total contributions made to this plan. The Organization has elected to contribute an amount equal to 10% of the employee's monthly compensation, and is not responsible for any excess benefit obligation, which is solely the responsibility of the YWCA Retirement Fund. Contributions to the plan during the years ended December 31, 2020 and 2019, were \$910,447 and \$920,807, respectively.

**403(b) Plan** - The Organization has a defined contribution retirement plan qualified under Section 403(b) of the IRC. The Organization does not match contributions to this plan.

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**Note 10 - Self Insurance Programs**

**Self-Insured Unemployment** - The Organization participates in a private insurance pool with other 501(c)(3) organizations to provide unemployment compensation insurance for its employees. The Organization has recorded an accrued liability for unemployment compensation of \$222,490 and \$185,400 at December 31, 2020 and 2019, respectively, which represents its estimated liability for claims incurred but not paid and is included in other current liabilities on the consolidated statement of financial position. Funds held in the pool on behalf of the Organization totaled \$600,015 and \$600,519 as of December 31, 2020 and 2019, respectively, and are included in prepaid expenses and other current assets on the consolidated statement of financial position.

**Employee Health Benefits** - Beginning January 1, 2014, the Organization acts as a co-insurer for medical benefits provided to its employees. A medical insurance company processes, pays, and provides reports on the medical benefits plan's claims and reserves. Management has an accrual of \$804,451 and \$756,284 for claims that have been reported but not yet paid, and for claims incurred but not yet reported as of December 31, 2020 and 2019, respectively. The accrual is included in other current liabilities on the consolidated statement of financial position. The Organization is responsible for claims made, and also carries annual stop-loss insurance on an individual and collective basis.

The Organization's expense for employees' medical benefits was \$1,053,622 and \$1,171,355 for the years ended December 31, 2020 and 2019, respectively, net of employee premiums paid.

**Note 11 - Concentration**

For the years ended December 31, 2020 and 2019, the Organization received 38% and 58%, respectively, of its operating revenues from governmental sources. While government sources comprise a significant percent of operating revenues, this risk is mitigated by the large number of government grants received from a variety of government sources. A reduction in these programs would have a significant impact on the Organization's activities.

For the year ended December 31, 2020, the Organization received 34% of its operating revenue from one donor. There was no such concentration for the year ended December 31, 2019.

**Note 12 - Leases**

**Real Estate Leases** - The Organization leases real estate under operating leases expiring in 2022. The terms of the real estate leases generally provide for the Organization to pay utilities associated with the leased buildings. Total operating lease expense for the year ended December 31, 2020 was \$353,561, of which \$54,000 represented variable lease costs. Lease expense for the year ended December 31, 2019 totaled \$343,054.

Supplemental balance sheet information related to leases as of December 31, 2020 are as follows:

Operating leases -	
Weighted average remaining lease term	2 Years
Weighted average discount rate	2.40%

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**Note 12 - Continued**

Supplemental cash flow information related to leases as of December 31, 2020 are as follows:

Cash paid for amounts included in the measurement of lease liabilities-	
Operating cash flows from operating leases	\$ 292,370

Future minimum payments required under operating facility leases are as follows:

For the Year Ending December 31,

2021	\$ 299,248
2022	<u>306,291</u>
Total future minimum lease payments	605,539
Less present value discount	<u>(14,955)</u>
Total operating lease liabilities	590,584
Less current portion	<u>(299,248)</u>
<b>Operating Lease Liabilities, Net of Current Portion</b>	<b><u><u>\$ 291,336</u></u></b>

**Commercial Leases** - The Seneca and Opportunity Place buildings have commercial tenants with noncancelable operating leases with terms expiring through 2024. The future minimum rental income to be received by the Organization under these leases is as follows:

For the Year Ending December 31,

2021	\$ 297,752
2022	244,759
2023	207,735
2024	<u>13,360</u>
<b>Total Minimum Rental Receipts</b>	<b><u><u>\$ 763,606</u></u></b>

**Note 13 - Board Designated Funds**

The Organization's Board of Directors has established board designated reserve funds that totaled \$4,490,396 and \$5,021,013 as of December 31, 2020 and 2019, respectively. The purposes of the funds are to provide for special projects and accumulate reserves that help ensure the long-term maintenance of the Organization's facilities. These balances are included with investments on the consolidated statement of financial position.

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**Note 13 - Continued**

The Organization's Board of Directors has also established quasi-endowment funds for general operating purposes, and to accumulate reserves that help ensure the long-term maintenance of certain of the Organization's facilities. These balances are included with investments on the consolidated statement of financial position. See Note 15.

	<u>2020</u>	<u>2019</u>
<b>Board Designated Reserve Funds:</b>		
Building Reserve	\$ 270,077	\$ 152,398
Equipment Reserve	65,328	198,019
Passage Point Reserve		74,014
Housing Reserve	<u>4,154,991</u>	<u>4,596,582</u>
<b>Total Board Designated Reserve Funds</b>	<b>4,490,396</b>	<b>5,021,013</b>
<b>Quasi-Endowments:</b>		
General Fund	648,105	600,019
Family Village at Redmond Fund	3,711,560	3,588,013
Building Fund	<u>3,666,394</u>	<u>3,523,053</u>
<b>Total Quasi-Endowment Funds</b>	<b><u>8,026,059</u></b>	<b><u>7,711,085</u></b>
<b>Total Board Designated Net Assets</b>	<b><u>\$ 12,516,455</u></b>	<b><u>\$ 12,732,098</u></b>

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**Note 14 - Net Assets With Donor Restrictions**

Net assets were restricted by donors for the following purposes at December 31:

	<u>2020</u>	<u>2019</u>
<b>Subject to the Passage of Time or Expenditure for Specified Purpose:</b>		
Restricted for specific programs and/or timing	\$ 1,394,697	\$ 2,750,936
Passage Point exchange funds (timing restriction)	3,704,682	3,825,816
Sound Families grant (timing restriction)	<u>675,564</u>	<u>869,997</u>
<b>Total Subject to the Passage of Time or Expenditure for Specified Purpose</b>	<b>5,774,943</b>	<b>7,446,749</b>
<b>Donor-Restricted Endowment Funds:</b>		
Original gifts and required retained earnings (corpus)-		
General endowment	5,930,213	5,924,863
Jeannie and Bruce Nordstrom Endowment		
Fund for Angeline's (Nordstrom Fund)	800,000	800,000
Shirley G. Bridge Endowment Fund for		
GirlsFirst (Shirley Bridge Fund)	200,000	200,000
Endowment Guild	<u>723,806</u>	<u>723,806</u>
	7,654,019	7,648,669
Accumulated unappropriated donor-restricted earnings on endowments	<u>19,468,029</u>	<u>18,515,230</u>
<b>Total Endowment Funds With Donor Restrictions</b>	<b><u>27,122,048</u></b>	<b><u>26,163,899</u></b>
<b>Total Net Assets With Donor Restrictions</b>	<b><u>\$ 32,896,991</u></b>	<b><u>\$ 33,610,648</u></b>

Earnings on the Endowment Guild fund are restricted by donors for child care programs; earnings on the Nordstrom Fund are restricted by donors for safety, survival, and self-sufficiency services for homeless women; and earnings on the Shirley Bridge Fund are restricted by donors for youth development programs. Earnings on all other donor-restricted endowment funds are considered to be with donor restrictions until appropriated by the Board of Directors for general support of the Organization.

**Note 15 - Endowments**

The Organization's endowment consists of funds established for a variety of purposes, and consists of both donor-restricted endowment funds and funds without donor restrictions that have been designated by the Board of Directors to function as endowments (quasi-endowments). As required by U.S. GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

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**Note 15 - Continued**

The Organization's Board of Directors has reviewed the Washington State Prudent Management of Institutional Funds Act (PMIFA), and, having considered its rights and obligations thereunder, has determined that it is desirable to preserve, on a long-term basis, 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 determination, the Organization classifies as net assets with donor restrictions - corpus (a) the original value of gifts donated to the permanent endowment, and (b) the original value of subsequent gifts to the permanent endowment.

The remaining portion of the donor-restricted endowment funds and accumulated earnings are classified as net assets with donor restrictions - accumulated earnings until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by PMIFA. In accordance with PMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund;
- The purposes of the Organization and the donor-restricted endowment fund;
- General economic conditions;
- The possible effect of inflation and deflation;
- The expected total return from income and the appreciation of investments;
- Other resources of the Organization; and
- The investment policies of the Organization.

Endowment net assets consisted of the following:

	Without Donor Restrictions	With Donor Restrictions			Total Endowments
		Corpus	Accumulated Earnings	Total	
Endowment Net Assets, December 31, 2020	\$ 8,026,059	\$ 7,654,019	\$ 19,468,029	\$ 27,122,048	\$ 35,148,107
Endowment Net Assets, December 31, 2019	\$ 7,711,085	\$ 7,648,669	\$ 18,515,230	\$ 26,163,899	\$ 33,874,984

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**Note 15 - Continued**

Changes to endowment net assets for the year ended December 31, 2020, were as follows:

	Without Donor Restrictions	With Donor Restrictions		Total	Total Endowments
		Corpus	Accumulated Earnings		
Endowment net assets, December 31, 2019	\$ 7,711,085	\$ 7,648,669	\$ 18,515,230	\$ 26,163,899	\$ 33,874,984
Endowment investment return	617,974		2,096,799	2,096,799	2,714,773
Endowment contributions		5,350		5,350	5,350
Appropriation of endowment for expenditure	<u>(303,000)</u>		<u>(1,144,000)</u>	<u>(1,144,000)</u>	<u>(1,447,000)</u>
<b>Endowment Net Assets, December 31, 2020</b>	<b><u>\$ 8,026,059</u></b>	<b><u>\$ 7,654,019</u></b>	<b><u>\$ 19,468,029</u></b>	<b><u>\$ 27,122,048</u></b>	<b><u>\$ 35,148,107</u></b>

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 PMIFA requires the Organization to retain as a fund of perpetual duration. However, there were no such funds at December 31, 2020 or 2019.

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for donor-specified periods. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of a custom performance benchmark that is based 67% on the MSCI ACWI Investable Net, and 33% on the Fixed Income Barclays Aggregate Bond Index, while assuming a moderate level of investment risk.

The Organization expects its endowment funds, over a market cycle, to return at least the nominal payout percentage (defined as the actual payout amount as a percentage of the current market value of the fund) on the current market value plus the annual rate of inflation. Actual returns in any given year may vary from this amount.

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

**Spending Policy and How the Investment Objectives Relate to Spending Policy** - The Organization has a policy of appropriating for distribution each year 5% of its endowment fund's moving average fair value for the seven years prior to the current budget year. In establishing this policy, the Organization considered the long-term expected return on its endowment. Accordingly, over the long term, the Organization expects the current spending policy to generate a gradually increasing payout amount each year. This is consistent with the Organization's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

**YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF  
SEATTLE-KING COUNTY-SNOHOMISH COUNTY AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**  
**For the Year Ended December 31, 2020**  
**(With Comparative Totals for 2019)**

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**Note 16 - Contingencies**

The Organization is involved from time to time in claims, proceedings and litigation arising in the ordinary course of business. The Organization does not believe that any such pending claims, proceedings or litigation either alone or in the aggregate, will have a material effect on the Organization's financial position or results of operations.

In December 2019, a novel strain of coronavirus (COVID-19) was reported in Wuhan, China. World Health Organization has declared the outbreak to constitute a "Public Health Emergency of International Concern." The COVID-19 outbreak has caused business disruption through mandated and voluntary closings of multiple businesses. As a result, employees of the Organization are working remotely and eliminating non-essential business travel. The extent of the impact of COVID-19 on the Organization's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on our funders, clients, employees and vendors, all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact the Organization's financial condition or results of operations is uncertain.

**Note 17 - Liquidity and Availability of Financial Assets**

The Organization structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, it invests cash in excess of daily requirements in highly liquid investments. Approximately 50% of the Organization's funding comes from government grants which usually reimburse the Organization after the expenses are incurred. To help manage unanticipated liquidity needs, the Organization has a line of credit in the amount of \$1 million upon which it could draw.



**YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF  
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**(With Comparative Totals for 2019)**

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**Note 17 - Continued**

The following reflects the Organization's financial assets as of the date of the consolidated statement of financial position, reduced by amounts not available for general expenditure because of internal, contractual or donor-imposed restrictions that limit the use of the financial assets to uses other than program expenditures to be incurred in the normal course of operations within one year of the date of the consolidated statement of financial position. Amounts not available include amounts set aside for long-term investing in the quasi-endowment (approximately \$8 million) and board designated reserves (approximately \$4.5 million) that could be drawn upon if the governing board approves that action. Although the Organization does not intend to spend from its quasi-endowment other than amounts appropriated for general expenditure as part of its annual budget approval and appropriation process, amounts from its quasi-endowment could be made available if necessary. However, amounts already appropriated from either the donor-restricted endowment or quasi-endowment for general expenditure within one year of the date of the consolidated statement of financial position have not been subtracted as unavailable.

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 15,161,572	\$ 12,874,715
Accounts and grants receivable	5,498,534	3,096,940
Pledges receivable, current portion	139,299	1,016,955
Investments	58,002,968	36,316,649
Endowment funds appropriated for the following year	1,320,000	1,447,000
Less unappropriated endowment earnings	(19,468,029)	(18,515,230)
Less net assets with donor restrictions not available for expenditure in the following year	(920,921)	(1,265,354)
Less board designated reserves	(4,490,396)	(5,021,013)
Less quasi endowment	(8,026,059)	(7,711,085)
Less endowment corpus	<u>(7,654,019)</u>	<u>(7,648,669)</u>
<b>Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year</b>	<b><u>\$ 39,562,949</u></b>	<b><u>\$ 14,590,908</u></b>

**SUPPLEMENTARY INFORMATION**

**YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF  
SEATTLE-KING COUNTY-SNOHOMISH COUNTY AND SUBSIDIARIES**

**Consolidating Statement of Financial Position  
December 31, 2020**

	YWCA and Other Controlled Subsidiaries	Opportunity Place Housing LLLP	YWCA Family Village at Issaquah II LLC	Summerfield Rehab LLLP	Snohomish Portfolio LLLP	Eliminations	Consolidated Total 2020
<b>Assets</b>							
<b>Current Assets:</b>							
Cash and cash equivalents	\$ 12,199,820	\$ 1,268,071	\$ 144,981	\$ 629,205	\$ 919,495	\$ -	\$ 15,161,572
Accounts and grants receivable	5,062,118	87,016	20,935	74,766	253,699		5,498,534
Current portion of pledges receivable, net	139,299						139,299
Intercompany receivables			9,207	46,467	44,650	(100,324)	
Prepaid expenses and other current assets	904,610						904,610
<b>Total Current Assets</b>	<b>18,305,847</b>	<b>1,355,087</b>	<b>175,123</b>	<b>750,438</b>	<b>1,217,844</b>	<b>(100,324)</b>	<b>21,704,015</b>
Pledges receivable, net of current portion	109,184						109,184
Investments	58,002,968						58,002,968
Investment in subsidiaries	1,396,306					(1,396,306)	
Limited use assets	2,442,119	43,759	606,549	150,516	941,749		4,184,692
Long-term intercompany receivables	8,571,526					(8,571,526)	
Notes receivable from related parties	52,979,609					(52,979,609)	
Land, buildings and equipment, net	58,613,966	43,396,352	13,283,150	16,171,688	61,122,174	(55,392,254)	137,195,076
Operating lease right of use asset	584,829						584,829
Capitalized costs and other assets, net	254,996	101,334	19,033	47,429	96,463		519,255
<b>Total Assets</b>	<b>\$ 201,261,350</b>	<b>\$ 44,896,532</b>	<b>\$ 14,083,855</b>	<b>\$ 17,120,071</b>	<b>\$ 63,378,230</b>	<b>\$ (118,440,019)</b>	<b>\$ 222,300,019</b>
<b>Liabilities and Net Assets</b>							
<b>Current Liabilities:</b>							
Accounts payable	\$ 856,528	\$ 25,959	\$ 9,548	\$ 15,284	\$ 54,245	\$ -	\$ 961,564
Construction payable		1,528,642					1,528,642
Accrued salaries	1,152,107						1,152,107
Other current liabilities	1,739,401	51,725	31,813	24,529	129,553		1,977,021
Related party payables	100,324	4,908,147	301,718	345,537	3,032,576	(8,671,850)	16,452
Current portion of operating lease liability	299,248						299,248
Current portion of long-term debt	688,026		60,000	49,558	284,265		1,081,849
<b>Total Current Liabilities</b>	<b>4,835,634</b>	<b>6,514,473</b>	<b>403,079</b>	<b>434,908</b>	<b>3,500,639</b>	<b>(8,671,850)</b>	<b>7,016,883</b>
Deferred revenue	85,714						85,714
Operating lease liability, net of current portion	291,336						291,336
Paycheck Protection Program loan	3,183,575						3,183,575
Notes payable to related party		11,075,949	4,993,422	9,207,639	27,702,599	(52,979,609)	
Long-term debt, net of current portion	31,913,638	27,253,348	7,721,503	3,172,816	18,697,350		88,758,655
<b>Total Liabilities</b>	<b>40,309,897</b>	<b>44,843,770</b>	<b>13,118,004</b>	<b>12,815,363</b>	<b>49,900,588</b>	<b>(61,651,459)</b>	<b>99,336,163</b>
<b>Net Assets and Equity:</b>							
Net assets without donor restrictions							
Controlling interest	128,054,462					(55,392,268)	72,662,194
Noncontrolling interest in consolidated subsidiaries						17,404,671	17,404,671
Total net assets without donor restrictions	128,054,462					(37,987,597)	90,066,865
Net assets with donor restrictions	32,896,991						32,896,991
Owners' equity		52,762	965,851	4,304,708	13,477,642	(18,800,963)	
<b>Total Net Assets and Equity</b>	<b>160,951,453</b>	<b>52,762</b>	<b>965,851</b>	<b>4,304,708</b>	<b>13,477,642</b>	<b>(56,788,560)</b>	<b>122,963,856</b>
<b>Total Liabilities, Net Assets and Equity</b>	<b>\$ 201,261,350</b>	<b>\$ 44,896,532</b>	<b>\$ 14,083,855</b>	<b>\$ 17,120,071</b>	<b>\$ 63,378,230</b>	<b>\$ (118,440,019)</b>	<b>\$ 222,300,019</b>

See independent auditor's report.

**YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF  
SEATTLE-KING COUNTY-SNOHOMISH COUNTY AND SUBSIDIARIES**

**Consolidating Statement of Activities  
For the Year Ended December 31, 2020**

	YWCA and Other Controlled Subsidiaries	Opportunity Place Housing LLLP	YWCA Family Village at Issaquah II LLC	Summerfield Rehab LLLP	Snohomish Portfolio LLLP	Eliminations	Consolidated Total 2020
<b>Operating Activities</b>							
<b>Support and Revenues:</b>							
Public support-							
Governmental fees and grants	\$ 22,429,388	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,429,388
Contributions	26,199,380						26,199,380
United Way grants	945,762						945,762
<b>Total public support</b>	<b>49,574,530</b>						<b>49,574,530</b>
Earned revenue-							
Program service fees and rents	2,966,478	1,910,042	565,021	730,017	3,180,207	(1,778,623)	7,573,142
Operating investment return	1,447,000		74				1,447,074
<b>Total earned revenue</b>	<b>4,413,478</b>	<b>1,910,042</b>	<b>565,095</b>	<b>730,017</b>	<b>3,180,207</b>	<b>(1,778,623)</b>	<b>9,020,216</b>
<b>Total Support and Revenues</b>	<b>53,988,008</b>	<b>1,910,042</b>	<b>565,095</b>	<b>730,017</b>	<b>3,180,207</b>	<b>(1,778,623)</b>	<b>58,594,746</b>
<b>Expenses:</b>							
Program services-							
Housing	23,154,100	2,726,722	989,918	1,147,374	4,860,441	(3,043,477)	29,835,078
Economic advancement	3,882,769						3,882,769
Health and safety	4,862,573						4,862,573
Supporting services-							
Management and general	3,013,787						3,013,787
Fundraising	1,472,500						1,472,500
<b>Total Expenses</b>	<b>36,385,729</b>	<b>2,726,722</b>	<b>989,918</b>	<b>1,147,374</b>	<b>4,860,441</b>	<b>(3,043,477)</b>	<b>43,066,707</b>
<b>Change in Net Assets From Operating Activities</b>	<b>17,602,279</b>	<b>(816,680)</b>	<b>(424,823)</b>	<b>(417,357)</b>	<b>(1,680,234)</b>	<b>1,264,854</b>	<b>15,528,039</b>
<b>Nonoperating Activities</b>							
Endowment contributions	5,350						5,350
Nonoperating investment return	2,857,157						2,857,157
Developer fee revenue	4,151,700					(4,151,700)	
Loss on investment in subsidiary	(334)					334	
<b>Change in Net Assets From Nonoperating Activities</b>	<b>7,013,873</b>					<b>(4,151,366)</b>	<b>2,862,507</b>
<b>Total Change in Net Assets From Operating and Nonoperating Activities</b>	<b>24,616,152</b>	<b>(816,680)</b>	<b>(424,823)</b>	<b>(417,357)</b>	<b>(1,680,234)</b>	<b>(2,886,512)</b>	<b>18,390,546</b>
Noncontrolling interest in net losses of subsidiaries						3,338,760	3,338,760
<b>Change in Net Assets From Operating and Nonoperating Activities Excluding Noncontrolling Interest</b>	<b>\$ 24,616,152</b>	<b>\$ (816,680)</b>	<b>\$ (424,823)</b>	<b>\$ (417,357)</b>	<b>\$ (1,680,234)</b>	<b>\$ 452,248</b>	<b>\$ 21,729,306</b>

See independent auditor's report.