Young Women’s Christian Association of Boston, Inc. and Affiliates

Consolidated Financial Report
December 31, 2021

Contents

RSM US LLP

Independent Auditor's Report

Boards of Directors
Young Women's Christian Association of Boston, Inc. and Affiliates

Opinion
We have audited the consolidated financial statements of Young Women's Christian Association of Boston, Inc. and Affiliates (the Organization), which comprise the consolidated statements of financial position as of December 31, 2021 and 2020, the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, the financial statements).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2021 and 2020, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion
We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter
As discussed in Note 1 to the financial statements, the Organization sold substantially all of the project assets of Clarendon Residences, LLC. As of December 31, 2021 and 2020, the assets and liabilities of Clarendon Residences, LLC have been separately presented on the consolidated statements of financial position as assets and liabilities from discontinued operations, and the operating activities for Clarendon Residences, LLC is included in gain (loss) from discontinued operations on the accompanying consolidated statements of activities. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

RSM US LLP

Boston, Massachusetts
July 29, 2022

Young Women's Christian Association of Boston, Inc. and Affiliates

Consolidated Statements of Financial Position
December 31, 2021 and 2020

	2021	2020
Assets		
Current assets:		
Cash and cash equivalents	**$ 1,638,655**	$ 794,697
Current portion of contributions receivable, net	**583,197**	411,712
Other receivables	**166,550**	358,873
Prepaid expenses and other assets	**110,697**	7,000
Assets from discontinued operations	**421,420**	27,234,414
Total current assets	**2,920,519**	28,806,696
Property and equipment, net	**-**	175,000
Other assets:		
Contributions receivable, net of current portion	**671,666**	215,000
Investments	**33,604,951**	6,903,321
Beneficial interest in perpetual trust	**46,407**	42,516
Total other assets	**34,323,024**	7,160,837
Total assets	**$ 37,243,543**	$ 36,142,533
Liabilities and Net Assets/Members' Equity		
Current liabilities:		
Accounts payable and accrued expenses	**$ 403,299**	$ 187,838
Deferred revenue	**6,657**	85,163
Paycheck Protection Program liability	**-**	294,460
Tenant security deposits	**-**	2,500
Liabilities from discontinued operations	**43,992**	22,727,828
Total current liabilities	**453,948**	23,297,789
Total liabilities	**453,948**	23,297,789
Net assets/members' equity:		
Without donor restrictions/members' equity	**32,911,555**	12,167,861
With donor restrictions	**3,878,040**	3,218,749
Non-controlling interest in affiliates	**-**	(2,541,866)
Total net assets/members' equity	**36,789,595**	12,844,744
Total liabilities and net assets/members' equity	**$ 37,243,543**	$ 36,142,533

See notes to consolidated financial statements.

Young Women's Christian Association of Boston, Inc. and Affiliates

Consolidated Statements of Activities
Years Ended December 31, 2021 and 2020

	Without Donor Restrictions	With Donor Restrictions	2021 Total	Without Donor Restrictions	With Donor Restrictions	2020 Total
Operating revenues and support:						
Foundation and corporate contributions	**$ 342,750**	**$ 1,815,000**	**$ 2,157,750**	$ 492,160	$ 665,000	$ 1,157,160
Government grant revenues	**72,222**	**-**	**72,222**	69,577	-	69,577
Individuals' contributions	**336,188**	**-**	**336,188**	365,395	-	365,395
United Way revenue	**17,480**	**-**	**17,480**	18,240	-	18,240
Special events revenue (net of expenses of $20,081 and $3,653 as of December 31, 2021 and 2020, respectively)	**292,979**	**-**	**292,979**	249,145	-	249,145
Donated services	**38,672**	**-**	**38,672**	16,857	-	16,857
Program revenue	**1,775,514**	**-**	**1,775,514**	1,081,052	-	1,081,052
Investment return designated for operations	**-**	**-**	**-**	454,892	-	454,892
Net assets released from restrictions	**763,334**	**(763,334)**	**-**	145,000	(145,000)	-
Total operating revenues and support	**3,639,139**	**1,051,666**	**4,690,805**	2,892,318	520,000	3,412,318
Expenses:						
Program	**2,391,707**	**-**	**2,391,707**	1,831,826	-	1,831,826
Management, general and administrative	**275,614**	**-**	**275,614**	222,243	-	222,243
Fundraising	**460,870**	**-**	**460,870**	299,801	-	299,801
Total expenses	**3,128,191**	**-**	**3,128,191**	2,353,870	-	2,353,870
Operating gain	**510,948**	**1,051,666**	**1,562,614**	538,448	520,000	1,058,448
Non-operating revenues (losses):						
Net non-endowment investment return	**124,212**	**-**	**124,212**	37,382	-	37,382
Net endowment investment return	**874,552**	**64,984**	**939,536**	274,047	121,794	395,841
Net assets released from restrictions - non-operating	**461,250**	**(461,250)**	**-**	-	-	-
Investment return designated for operations	**-**	**-**	**-**	(454,892)	-	(454,892)
Change in beneficial interest in perpetual trust	**-**	**3,891**	**3,891**	-	4,492	4,492
Government grant revenues	**294,460**	**-**	**294,460**	-	-	-
Cancellation of debt	**(160,000)**	**-**	**(160,000)**	-	-	-
Gain on sale of project assets	**9,916,771**	**-**	**9,916,771**	-	-	-
Total non-operating revenues (losses)	**11,511,245**	**(392,375)**	**11,118,870**	(143,463)	126,286	(17,177)
Changes in net assets/members' equity before discontinued operations	**12,022,193**	**659,291**	**12,681,484**	394,985	646,286	1,041,271
Gain (loss) from discontinued operations	**11,263,367**	**-**	**11,263,367**	(2,783,095)	-	(2,783,095)
Change in net assets/members' equity	**23,285,560**	**659,291**	**23,944,851**	(2,388,110)	646,286	(1,741,824)
Net assets/members' equity at beginning of year	**9,625,995**	**3,218,749**	**12,844,744**	12,014,105	2,572,463	14,586,568
Net assets/members' equity at end of year	**$ 32,911,555**	**$ 3,878,040**	**$ 36,789,595**	$ 9,625,995	$ 3,218,749	$ 12,844,744

See notes to consolidated financial statements.

Young Women's Christian Association of Boston, Inc. and Affiliates

Consolidated Statement of Functional Expenses
Year Ended December 31, 2021

	Program Services			Supporting Services		
	DEI Services	FYRE Girls Program	Total Program Services	Management, General and Administrative	Fundraising	Total
Salaries and related benefits	$ 1,520,915	$ 488,365	$ 2,009,280	$ 189,145	$ 387,764	$ 2,586,189
Professional services	129,038	21,268	150,306	69,388	9,000	228,694
Supplies	7,808	1,761	9,569	275	1,548	11,392
Occupancy	67,235	27,598	94,833	10,525	16,797	122,155
Insurance	10,837	4,448	15,285	1,696	2,707	19,688
Advertising	2,590	-	2,590	-	2,222	4,812
Travel and meetings	51,117	3,182	54,299	597	5,047	59,943
Information technology	87,204	30,442	117,646	9,756	42,128	169,530
Office	5,695	2,363	8,058	3,176	7,931	19,165
National dues	7,914	2,513	10,427	-	-	10,427
Total expenses before eliminations	1,890,353	581,940	2,472,293	284,558	475,144	3,231,995
Eliminations	(60,239)	(20,347)	(80,586)	(8,944)	(14,274)	(103,804)
Total expenses	$ 1,830,114	$ 561,593	$ 2,391,707	$ 275,614	$ 460,870	$ 3,128,191

See notes to consolidated financial statements.

Young Women's Christian Association of Boston, Inc. and Affiliates

Consolidated Statement of Functional Expenses
Year Ended December 31, 2020

	Program Services			Supporting Services		
	DEI Services	FYRE Girls Program	Total Program Services	Management, General and Administrative	Fundraising	Total
Salaries and related benefits	$ 1,242,781	$ 385,129	$ 1,627,910	$ 112,570	$ 274,791	$ 2,015,271
Professional services	47,425	16,215	63,640	90,874	2,009	156,523
Supplies	6,997	1,229	8,226	136	1,359	9,721
Occupancy	70,315	25,984	96,299	15,729	11,483	123,511
Insurance	9,549	3,529	13,078	2,136	1,559	16,773
Advertising	1,914	456	2,370	-	524	2,894
Travel and meetings	19,473	2,556	22,029	649	701	23,379
Information technology	51,626	15,991	67,617	4,989	7,144	79,750
Office	6,417	2,577	8,994	10,641	11,533	31,168
National dues	12,009	4,437	16,446	-	-	16,446
Total expenses before eliminations	1,468,506	458,103	1,926,609	237,724	311,103	2,475,436
Eliminations	(71,829)	(22,954)	(94,783)	(15,481)	(11,302)	(121,566)
Total expenses	$ 1,396,677	$ 435,149	$ 1,831,826	$ 222,243	$ 299,801	$ 2,353,870

See notes to consolidated financial statements.

Young Women's Christian Association of Boston, Inc. and Affiliates

Consolidated Statements of Cash Flows
Years Ended December 31, 2021 and 2020

	2021	2020
Cash flows from operating activities:		
Change in net assets/members' equity	$ 23,944,851	$ (1,741,824)
Adjustments to reconcile change in net assets/members' equity to net cash used in operating activities:		
Gain on sale of project assets	(21,648,496)	-
Gain on forgiveness of debt	(3,278,184)	-
Depreciation and amortization	1,363,849	1,636,620
Amortization of deferred financing costs	11,688	14,025
Write off of deferred costs and deferred financing costs	75,034	-
Straight-line rent adjustment	131,247	65,398
Net unrealized and realized gains on investments	(807,001)	(291,283)
Change in fair value of interest rate swap contract	(425,720)	(201,981)
Change in beneficial interest in perpetual trust	(3,891)	(4,492)
Cancellation of debt	160,000	-
Paycheck Protection Program liability satisfaction	(294,460)	-
Changes in operating assets and liabilities:		
Contributions receivable	(628,151)	(395,320)
Other receivables	192,323	(277,145)
Prepaid expenses and other assets	(46,723)	54,079
Rent receivable	194,125	(301,848)
Accounts payable and accrued expenses	(306,541)	125,135
Accrued interest payable	98,831	94,620
Deferred revenue	(108,586)	20,102
Paycheck Protection Program liability	-	294,460
Tenant security deposits, net	(92,433)	(16,613)
Net cash used in operating activities	(1,468,238)	(926,067)
Cash flows from investing activities:		
Purchase of investments	(36,332,214)	(3,894,914)
Proceeds from sale of investments	10,437,585	4,157,867
Proceeds from sale of property and equipment, net of closing costs paid	48,342,273	-
Acquisition of property and equipment	(32,200)	(172,645)
Deposits from buyer	(400,500)	400,500
Purchase of investor interest	(1,940,000)	-
Net cash provided by investing activities	20,074,944	490,808
Cash flows from financing activities:		
Payments on line of credit, net	(317,837)	317,837
Payments on mortgage notes payable	(16,497,539)	(337,308)
Payments on notes payable	(750,000)	-
Repayment of interest rate swap contract	(491,323)	-
Cancellation of debt	(160,000)	-
Net cash used in financing activities	(18,216,699)	(19,471)
Net change in cash and cash equivalents and restricted cash	390,007	(454,730)
Cash and cash equivalents and restricted cash, beginning of year	1,432,075	1,886,805
Cash and cash equivalents and restricted cash, end of year	$ 1,822,082	$ 1,432,075
Supplemental disclosure:		
Cash paid for interest	$ -	$ 933,068

See notes to consolidated financial statements.

Note 1. Nature of Organization and Significant Accounting Policies

Nature of organization: The Young Women's Christian Association of Boston, Inc. (the Organization), known today as YW Boston, was founded in 1866 by abolitionists and suffragists to serve the needs of women in Greater Boston. As the first YWCA in the nation, YW Boston has been at the forefront of advancing social equality for 150 years. YW Boston shares its mission statement with all other YWCA affiliates nationwide: to eliminate racism, empower women and promote peace, justice, freedom and dignity for all. Today, YW Boston helps individuals and organizations create more inclusive environments where women, people of color and especially women of color can succeed.

YWCA Clarendon, Inc. was formed on June 27, 2003, and Clarendon Residences, LLC (a Massachusetts limited liability company) (the Company) was formed on July 1, 2003. YWCA Clarendon, Inc. was owned 79% by the Organization and 21% by an unrelated third-party. The Company was owned 0.01% by YWCA Clarendon, Inc. and 99.99% by an unrelated investor member. YWCA Clarendon, Inc. acted as the managing member of the Company for the purpose of owning and operating the building at 140 Clarendon Street, Boston, Massachusetts (the Project). The building was composed of 79 qualifying low-income residential units and 105 market rate residential and transient units, including some units operated as hotel units, as well as commercial and retail space. Both the unrelated third party owner of YWCA Clarendon Inc. and the investor member of the Company were accounted for as noncontrolling interests in the consolidated financial statements. On November 1, 2021, the Organization purchased the investor member interest for $1,940,000.

The Organization follows the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 360-20, Property and Equipment regarding the accounting for sales of real estate. This requires the seller to treat a sales transaction as a financing, leasing or profit sharing arrangement when the transaction is structured in such a way that the seller retains substantial risks or rewards of ownership prior to the sale of the Project. The Organization held the ground lease for the property, had the right to repurchase the investor's interest in the Company for a nominal amount after the end of the tax credit compliance period, and is a lessee in the building. When the Company began operations, the Organization provided support to the Company through loans and deferral of the development fee, and for ground lease and management fee payments. The Company made payments to the Organization on these obligations based on available cash flow in accordance with the partnership agreement. Due to the integral nature of the relationship between the Organization and the Company, the Company is consolidated with the Organization in these financial statements.

In the accompanying consolidated financial statements, the Company and YWCA Clarendon, Inc. are referred to as the Affiliates.

On November 1, 2021, the Organization sold substantially all of the project assets of the Company. As of December 31, 2021 and 2020, the assets and liabilities of the Company have been separately presented on the consolidated statements of financial position as assets and liabilities from discontinued operations, and the operating activities for the Company is included in gain (loss) from discontinued operations on the accompanying consolidated statements of activities.

Basis of consolidation: The consolidated financial statements include the accounts of the Organization, the Company and YWCA Clarendon, Inc., collectively referred to in the accompanying consolidated financial statements as the Organization. All inter-company balances and transactions eliminate in the accompanying consolidated financial statements. The non-controlling interest in affiliates includes the interests of the investor member of the Company and the third-party shareholder of YWCA Clarendon, Inc.

Note 1. Nature of Organization and Significant Accounting Policies (Continued)

Classification and reporting of net assets: The Organization's consolidated financial statement presentation follows the requirements of FASB ASC 958, Financial Statements of Not-for Profit Organizations. Under this standard, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. A description of the two net asset classes follows:

- Net assets without donor restrictions represent the portion of net assets of the Organization that includes expendable funds available to support operations that is not subject to donor-imposed stipulations or time restrictions.

- Net assets with donor restrictions represent contributions and other inflows of assets whose use by the Organization is limited by donor-imposed stipulations that require that they be held in perpetuity, or whose use may or will be met by actions of the Organization or the passage of time. These net assets include, pursuant to Massachusetts law, unappropriated cumulative investment return on endowment.

Contributions: Contributions received, including unconditional pledges, are initially recognized at fair value as revenue when donors make unconditional commitments. Pledges made and collected in the same reporting period are recorded in the appropriate net asset category when they are received. Unconditional pledges receivable in future periods are included in the consolidated financial statements as contributions receivable. Unconditional contributions receivable are recognized at the estimated net present value of such contributions, net of an allowance for uncollectible amounts. Conditional promises, that is, those with a measurable performance or other barrier and a right of return, are recognized as support when conditions on which they depend are substantially met.

The Organization reports gifts of cash and other assets as donor-restricted support if they are unconditionally received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, a stipulated time restriction ends or the purpose of the restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions, and reported in the accompanying consolidated statements of activities as net assets released from restrictions. Donor restricted contributions received and satisfied in the same period are included in net assets without donor restrictions.

The Organization reports contributions of land, building and equipment as net assets without donor restrictions unless the donor places restrictions on their use. Contributions of cash or other assets used to acquire or construct long-lived assets are reported as net assets without donor restriction to the extent the funds have been expended for the stipulated acquisition or construction; or when the asset has been placed into service, otherwise, the contributions are reported as net assets with donor restrictions.

Donated goods and services: Volunteers and other organizations contribute goods and services to the Organization in support of various aspects of its programs. Donated goods are reflected in the accompanying consolidated financial statements based upon the fair market value assigned to them by the donating agencies or by management. During the years ended December 31, 2021 and 2020, the Organization received $38,672 and $16,857, respectively, of donated services. The Organization receives services from volunteers in various aspects of its programs. The value of these services are not reflected in the accompanying consolidated financial statements as the value assigned to these services by volunteers is not ascertainable and does not meet the recognition criteria under generally accepted accounting principles (U.S. GAAP).

Note 1. Nature of Organization and Significant Accounting Policies (Continued)

Revenue recognition: In May 2014, the FASB issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers* (Topic 606), which requires an entity to recognize the amount of revenue which it expects to be entitled for the transfer of promised goods or services to customers. The five-step model required for recognizing revenue from contracts with customers is as follows:

- Identify the contract with a customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract
- Recognize revenue when or as performance obligations are satisfied

Revenue is recognized when promised goods or services are transferred to the customer in an amount that reflects the consideration expected in exchange for those goods or services.

The Organization has identified a performance obligation associated with the provisions of its educational instruction and leadership programs and uses the output measure for recognition as the period of time in which the services are performed.

Revenues from workshop related program activities are recognized at a point in time, when the related program is held.

Below is a summary of the Company's revenue and income streams. Base rent, operating expense reimbursements and lease termination fees represent income from leases and are recognized in accordance with ASC 840. Revenues from hotel operations, tenant services and tenant fees and other income are recognized in accordance with ASC 606. All operating revenues generated by the Company during the years ended December 31, 2021 and 2020 have been included in gain (loss) from discontinued operations on the accompanying consolidated statements of activities.

Base rent: Rental income resulting from tenant leases is recognized over the non-cancelable term of the related leases on a straight-line basis, which includes the effects of rent step ups and rent abatements. The Company considers any renewal options in determining the lease term. To the extent a lease includes a tenant option to renew or extend the duration of the lease at a fixed or determinable rental rate, the Company evaluates whether that option represents a bargain renewal option by analyzing whether there is reasonable assurance at lease inception that the tenant will exercise the option because the rental rate is sufficiently lower than the expected rental rate for equivalent property under similar terms and conditions at the exercise date. The Company commences rental income recognition when the tenant takes possession of the leased space, and the leased space is substantially ready for its intended use.

Lease termination fees: Income from lease termination fees is recognized immediately if a tenant vacates, or is recognized on a straight-line basis over the shortened remaining lease term.

Hotel revenue: Revenue from room rentals, food and beverage sales, banquets and other charges to guests for telephone service, movie and vending commissions and laundry services is recognized at the point-in-time when control transfers to the customer. Room rental revenue is recognized for each day rooms are occupied. Food and beverage revenue, banquet revenue and other charges are recognized when the banquet occurs, or the services have been provided.

Note 1. Nature of Organization and Significant Accounting Policies (Continued)

Total revenue recognized in accordance with ASC 606 at a point in time and over time was as follows for the years ended December 31:

	2021	2020
Program revenue recognized over time	$ 809,333	$ 493,859
Program revenue recognized at a point in time	966,181	587,193
Total revenues	$ 1,775,514	$ 1,081,052

Operating activities: The consolidated statements of activities reflect a subtotal for operating gain/(loss). This subtotal reflects revenues that the Organization received for operating purposes. Non-operating activity reflects all other activity, including but not limited to net non-endowment and net endowment investment return, investment return designated for operations (routine spend on invested funds plus any additional appropriation by the Board), and change in beneficial interest in perpetual trust.

Beneficial interest in perpetual trust: The Organization is the income beneficiary of a charitable trust (the trust) under an irrevocable agreement, the assets of which are held by a bank with a trustee having responsibility for both its administration and investment. The trust is restricted in perpetuity.

Cash and cash equivalents: For the purposes of the reporting of cash flows, the Organization defines cash equivalents as highly liquid investments with maturities of three months or less.

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

	2021	2020
Cash and cash equivalents	$ 1,638,655	$ 794,697
Cash and cash equivalents in assets from discontinued operations	183,427	232,002
Tenant security deposits in assets from discontinued operations	-	172,841
Escrow deposits in assets from discontinued operations	-	232,535
	$ 1,822,082	$ 1,432,075

Cash and cash equivalents held by the Organization's investment custodian is included in investments as the intent is to invest these monies for the long-term.

Operating reserve: Under the terms of the Company's operating agreement, the Company was required to fund an operating reserve in the amount of $880,000. The cash reserve at December 31, 2021 and 2020, was $0 and $503, respectively. A $700,000 letter of credit was in effect to meet the remainder of this requirement. On June 1, 2020, the lender released funds in the amount of $192,553 from the Operating Reserve for the Company's use. The operating reserve cash deposit balances are included in escrows within assets from discontinued operations on the consolidated statements of financial position.

Note 1. Nature of Organization and Significant Accounting Policies (Continued)

Allowance for bad debts: Rent receivable, contributions receivable and other receivables are reported on the consolidated statements of financial position as the outstanding balance less an allowance for doubtful accounts. An allowance for doubtful accounts is provided for those receivables considered to be uncollectible based upon historical experience and management's evaluation of outstanding receivables at the end of the year. At December 31, 2021 and 2020, the allowance for bad debts totaled $2,575.

Property, equipment and depreciation: Property and equipment are recorded at cost when purchased or at fair value at the time of donation. Renewals and betterments are capitalized while repairs and maintenance are charged to operations as incurred.

Depreciation of property and equipment is computed using the straight-line method over the following estimated useful lives:

	Estimated Useful Lives (Years)
Buildings and improvements	10-40
Equipment, furniture and fixtures	5

Depreciation expense for the years ended December 31, 2021 and 2020, amounted to $1,339,631 and $1,607,558, respectively, and is reported in gain (loss) from discontinued operations on the consolidated statements of activities.

Impairment of long-lived assets: The Organization has given consideration to FASB ASC 360-10-15, Accounting for Impairment or Disposal of Long-Lived Assets, in its presentation of these consolidated financial statements. The Organization reviews long lived assets for impairment whenever events or circumstances indicate the carrying amount may not be recoverable. If facts or circumstances support the possibility of impairment, the Organization will prepare a projection of the undiscounted future cash flows. In cases when the Organization does not expect to recover its carrying value, an impairment loss will be recognized. As of December 31, 2021 and 2020, no impairment indicators were identified, and the Organization has not recognized any reduction in the carrying value of its fixed assets.

Asset retirement obligation: The Organization follows FASB ASC 410, Asset Retirement and Environmental Obligations. This standard requires a liability be recorded at fair value specific to certain legal environmental obligations. The recording of a liability is required if such conditions exist, and the obligation can be reasonably estimated. As of December 31, 2021 and 2020, the Organization is unaware of any such obligations. The Organization will recognize a liability in the period in which it becomes aware of such liability and sufficient information is available to reasonably estimate the fair value.

Note 1. Nature of Organization and Significant Accounting Policies (Continued)

Endowment and investments: The investment portfolio consists of board designated endowment, donor restricted endowments and non-endowment investments. Investments in marketable securities and primarily mutual funds are stated at fair value as established by major securities markets and are pooled for investment purposes. Interest, dividends and mutual fund distributions are recorded when earned. Gains and losses are recognized as incurred or based on market value changes during the period. Investment return on the endowment is reported on the consolidated statements of activities as net endowment return. Investment return on non-endowment investments is reported on the consolidated statements of activities as net non-endowment loss.

Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is possible that changes in values of investment securities could occur in the near term and such changes could materially affect investments. Net investment return on donor restricted endowment funds is recorded as net assets with donor restrictions in accordance with state law. Net investment return on the remaining investment portfolio are recorded as net assets without donor restrictions. When a donor restriction exists, net investment return is allocated based on the total balance of pooled investments applicable to the respective asset totals.

The Board has interpreted Massachusetts General Law as requiring net investment return of donor-restricted net assets to be retained as net assets with donor restrictions classification until appropriated by the Board and expended. Massachusetts General Law allows the Board to appropriate for expenditure or accumulate so much of an endowment fund as is prudent for the uses, benefits, purposes and duration for which the endowment fund is established. This includes underwater endowments. In making a determination whether to appropriate or accumulate, the Organization shall act in good faith, with the care that an ordinary person in a like position would exercise under similar circumstances and shall consider the following factors: the duration and preservation of the endowment fund; the purposes of the Organization and the endowment fund; general economic conditions; the possible effect of inflation or deflation; the expected total return from income and the appreciation of investments; other resources of the Organization and the investment policy of the Organization.

The Organization has adopted a policy for endowment investments of appropriating for distribution each year 5% of the average market value of the investments based on the prior 20 rolling quarters ending September each year. The Organization has adopted investment and spending policies for invested funds that attempt to provide a predictable stream of funding for operations while seeking to maintain the assets.

Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity. Under this investment policy, as approved by the Board of Directors, the donor-restricted endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of the S&P 500 index while assuming a moderate level of investment risk. The Organization expects its donor-restricted funds, over time, to provide an average rate of return of approximately 7%. Actual returns in any given year may vary from this amount.

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.

Note 1. Nature of Organization and Significant Accounting Policies (Continued)

Based on the Organization's spending guidelines, $404,892 was utilized for operations for the year ended December 31, 2020, and appropriated from the Board-designated endowment fund. No appropriations were made from the Board-designated endowment fund during the year ended December 31, 2021. In addition, the Board voted to appropriate an additional $50,000 from the Board-designated endowment fund to fund operations during the year ended December 31, 2020. Therefore, a total of $454,892 was appropriated from the Board-designated endowment fund for the year ended December 31, 2020. No amounts were appropriated from the donor-restricted endowment fund for the years ended December 31, 2021 or 2020.

Deferred financing costs: Deferred financing costs were being amortized through interest expense over the life of related loans using the effective interest method and are presented in the consolidated statements of financial position as a direct deduction from the loans. Deferred financing costs were $224,398 at December 31, 2020. Accumulated amortization totaled $203,947 at December 31, 2020. Amortization expense for the years ended December 31, 2021 and 2020 amounted to $11,688 and $14,025, respectively. During 2021, the remaining net book value of the deferred financing costs, amounting to $8,763, were written off and included in gain (loss) from discontinued operations on the accompanying consolidated statements of activities.

Deferred leasing costs: Deferred leasing costs were being amortized over the life of commercial leases using the straight-line method. Deferred leasing costs at December 31, 2020 were $241,065. Accumulated amortization as of December 31, 2020, was $150,576. Amortization expense for the years ended December 31, 2021 and 2020 amounted to $24,218 and $29,062, respectively. During 2021, the remaining net book value of the deferred leasing costs, amounting to $66,271, were written off and included in gain (loss) from discontinued operations on the accompanying consolidated statements of activities.

Derivative financial instruments: Derivative financial instruments are recognized as assets or liabilities at their fair value on the balance sheet with the changes in the fair value reported in non-operating revenues or losses. These instruments were classified on the consolidated statements of financial position as fair value of interest rate swap contract and the change in the fair value was recorded on the consolidated statements of activities and reported as change in fair value of interest rate swap contract. The swap agreement was terminated and paid off with the proceeds from the sale resulting in a loss of $491,323, which has been included in gain (loss) from discontinued operations on the accompanying consolidated statements of activities during the year ended December 31, 2021.

Historic tax credit: The Project qualified in 2005 for $8,636,952 in historic tax credits related to qualified rehabilitation costs as designated by the United States Department of the Interior, National Park Service, pursuant to Section 47 of the Internal Revenue Code. For income tax depreciation purposes, the basis of the building had been reduced by the amount of the historic tax credit.

Low income housing tax credits: Section 42 of the Internal Revenue Code provides for low-income housing tax credits for qualified expenditures in connection with the acquisition and construction/rehabilitation of low-income housing. The Company has received an allocation of credits from the state allocating agency (the Agency), calculated at 3.43% and 8.01% of qualified acquisition and rehabilitation costs, respectively. The annual credit was $1,000,000 and was prorated in 2005, the first year. The tax credits expired in 2015.

Additionally, the Company had entered into an Extended Use Housing Agreement with the Agency. This agreement requires the Project to maintain the provisions of Section 42 of the Internal Revenue Code for a minimum of 30 years, and to set aside 79 residential apartment units for low-income occupants.

Note 1. Nature of Organization and Significant Accounting Policies (Continued)

Functional allocation of expenses: Expenses directly related to a program or supporting activity are directly distributed to that activity. In addition, the consolidated financial statements report certain categories of expenses that are attributable to one or more program or supporting activities of the Organization. Those expenses include salaries and related benefits, information technology, depreciation and interest. These expenses are allocated based upon management's estimate of the percentage attributable to each program, using time estimates of where efforts are made, for each employee.

Advertising costs: The Organization expenses advertising costs as they are incurred. Advertising expense for the years ended December 31, 2021 and 2020, totaled $6,390 and $19,118, respectively.

Income taxes: The Organization is exempt from Federal income taxes as an organization (not a private foundation) formed for charitable purposes under Section 501(c)(3) of the Internal Revenue Code. The Organization is also exempt from state income taxes. Donors may deduct contributions made to the Organization pursuant to Internal Revenue Code regulations.

The Company, a for-profit entity, is a limited liability company treated as a partnership for income tax purposes and therefore, does not pay federal or state income taxes on its taxable income. Instead, those members who are subject to taxation are liable for federal and state income taxes on the Company's taxable income.

YWCA Clarendon, Inc., a for-profit entity, is treated as a C corporation for income tax purposes. Should it have taxable income, a provision for income taxes would be included in the accompanying consolidated financial statements.

Uncertainty of income taxes: The Organization follows the FASB ASC 740, Income Taxes, which clarifies the accounting for uncertainty in income taxes by prescribing the recognition threshold a tax position is required to meet before being recognized in the consolidated financial statements. The Organization recognizes a tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities. Management evaluated the Organization's tax positions and concluded that the Organization has no material uncertainties in income taxes as of December 31, 2021 and 2020. The Organization is no longer subject to income tax examinations by the U.S. federal, state, or local tax authorities for three fiscal years from the filing date.

Use of estimates: The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

Reclassification: Certain reclassifications have been made to the 2020 consolidated financial statements in order to conform to the 2021 presentation. The reclassifications did not result in a change in previously reported change in net assets.

Note 1. Nature of Organization and Significant Accounting Policies (Continued)

Recently issued accounting standards: In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, which sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract (i.e., lessees and lessors). The new standard requires lessees to apply a dual approach, classifying leases as either finance or operating leases based on the principle of whether or not the lease is effectively a financed purchase by the lessee. This classification will determine whether lease expense is recognized based on an effective interest method or on a straight line basis over the term of the lease, respectively. A lessee is also required to record a right-of-use asset and a lease liability for all leases with a term of greater than 12 months regardless of their classification. Leases with a term of 12 months or less will be accounted for similar to existing guidance for operating leases today. The new standard requires lessors to account for leases using an approach that is substantially equivalent to existing guidance for sales-type leases, direct financing leases and operating leases. In November 2019, the FASB issued ASU 2019-10, which defers the effective date of ASU 2016-02 one year marking it effective for fiscal years beginning after December 15, 2021, including interim periods within those years. The Organization has not yet determined the impact to the consolidated financial statements.

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which creates a new credit impairment standard for financial assets measured at amortized cost and available-for-sale debt securities. The ASU requires financial assets measured at amortized costs (including loans, trade receivables and held-to-maturity debt securities) to be presented at the net amount expected to be collected, through an allowance for credit losses that are expected to occur over the remaining life of the asset, rather than incurred losses. The measurement of credit losses for newly recognized financial assets (other than certain purchased assets) and subsequent changes in the allowance for credit losses are recorded in the consolidated statements of activities as the amounts expected to be collected change. The ASU is effective for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. Early adoption is permitted for fiscal years beginning after December 15, 2018, and interim periods within those fiscal years. The Organization is currently evaluating the impact of adopting this new guidance on the consolidated financial statements.

In September 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which requires a not-for-profit entity to present contributed nonfinancial assets in the consolidated statement of activities as a line item that is separate from contributions of cash or other financial assets. ASU 2020-07 also requires additional qualitative and quantitative disclosures about contributed nonfinancial assets received, disaggregated by category. This guidance is effective for fiscal years beginning after June 15, 2021, and for interim periods within annual periods beginning after June 15, 2022. The Organization is currently evaluating the impact of adopting this new guidance on the consolidated financial statements.

Subsequent events: The Organization evaluated subsequent events through July 29, 2022, when the consolidated financial statements were available to be issued.

Note 2. Available Resources and Liquidity

The Organization regularly monitors liquidity required to meet its operating needs. For purposes of analyzing resources available to meet general expenditures, such as operating expenses and scheduled principal payments on debt, over a 12-month period, the Organization considers all expenditures related to its ongoing activities. At December 31, the financial assets and liquidity resources available within one year for general expenditure comprise the following:

	2021	2020
Cash and cash equivalents	$ 1,638,655	$ 794,697
Contributions receivable, net	583,197	411,712
Other receivables	166,550	358,873
Assets from discontinued operations	421,420	664,120
Non-endowment investments without donor restriction	943,805	607,498
Approved endowment appropriation under the spending policy	375,000	375,000
Additional approved board designated endowment appropriation	197,000	197,000
Total financial assets and liquidity resources available within one year	$ 4,325,627	$ 3,408,900

Additionally, not included as available is the Organization's board-designated endowment totaling $30,540,988 and $4,240,649 at December 31, 2021 and 2020, respectively, and its undrawn line of credit of $500,000. Although the Organization does not intend to spend from this internally designated fund other than amounts appropriated for general expenditure as part of its annual budget approval and appropriation process or draw from its line of credit, amounts could be made available if necessary.

Note 3. Capital Contributions

The former Investor Member of the Company had contributed $16,261,158 in return for 99.99% of the profits, losses and tax credits and as of December 31, 2010, has no further capital obligation. During the years ended December 31, 2021 and 2020, no distributions were made to the former Investor Member. The remaining 0.01% was allocated to the Managing Member (YWCA Clarendon, Inc.) which has contributed $132,264 to the Company in addition to $1,115,383 in building and improvements. The Managing Member was obligated to fund operating deficits from project completion until five years after the development obligation date (January 31, 2008). As of January 31, 2013, the Managing Member was no longer obligated to fund operating deficits.

On November 1, 2021, the Organization purchased the investor member interest for $1,940,000.

Note 4. Contributions Receivable

Unconditional promises to give are included in the consolidated financial statements as contributions receivable and revenue in the appropriate net asset category. Following is a summary as of December 31:

	2021	2020
Less than one year	$ 585,772	$ 414,287
One to five years	671,666	215,000
Total	1,257,438	629,287
Less allowance for uncollectible contributions receivable	(2,575)	(2,575)
Contributions receivable, net	$ 1,254,863	$ 626,712

As of December 31, 2021, four donors accounted for 90% of the gross contributions receivable balance recorded. As of December 31, 2020, one donor accounted for 87% of the gross contributions receivable balance recorded.

Note 5. Property and Equipment

Property and equipment consisted of the following at December 31:

	2021	2020
Land	$ -	$ 175,000
Buildings and improvements in assets from discontinued operations	-	50,611,451
Equipment, furniture and fixtures in assets from discontinued operations	-	1,831,826
	-	52,618,277
Less accumulated depreciation in assets from discontinued operations	-	(26,557,069)
	$ -	$ 26,061,208

Note 6. Investments

Investments consist of the following as of December 31:

	2021	2020
Cash equivalents	$ 17,826,860	$ 486,560
Equities	6,526,105	-
Mutual funds	9,027,284	6,416,761
Other assets	224,702	-
	$ 33,604,951	$ 6,903,321

Note 7. Beneficial Interest in Perpetual Trusts

The Organization has a beneficial interest in a charitable trust managed by a third-party trustee. An independent custodian invests the funds related to the trust. Due to the permanent nature of the trust, the Organization recognizes its interest in the fair value of the trust assets on the consolidated statements of financial position as beneficial interest in perpetual trust and it is included in net assets with donor restrictions.

Income earned on the beneficial interest is paid to the Organization each year in accordance with the trust document and has no restrictions. Income received during the years ended December 31, 2021 and 2020, totaled $2,360 and $639, respectively, and is included within contributions without donor restrictions on the consolidated statements of activities. The net change in the value of the asset is recorded as change in beneficial interest in perpetual trust on the consolidated statements of activities and totaled $3,891 and $4,492 for the years ended December 31, 2021 and 2020, respectively.

Note 8. Fair Value Measurements

Under the FASB's authoritative guidance on fair value measurements, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Organization uses various methods including market, income and cost approaches. Based on these approaches, the Organization often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. The Organization utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques the Organization is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair value. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

Level 1: Quoted prices for identical assets and liabilities traded in active exchange markets, such as the New York Stock Exchange.

Level 2: Observable inputs other than Level 1 including quoted prices for similar assets or liabilities, quoted prices in less active markets, or other observable inputs that can be corroborated by observable market data. Level 2 also includes derivative contracts whose value is determined using a pricing model with observable market inputs or can be derived principally from or corroborated by observable market data.

Level 3: Unobservable inputs supported by little or no market activity for financial instruments whose value is determined using pricing models, discounted cash flow methodologies or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation; also includes observable inputs for nonbinding single dealer quotes not corroborated by observable market data.

While the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

During the years ended December 31, 2021 and 2020, there were no changes to the Organization's valuation techniques that had or are expected to have, a material impact on the consolidated statements of financial position or changes in net assets/members' equity.

Note 8. Fair Value Measurements (Continued)

The following is a description of the valuation methodologies used for instruments measured at fair value:

Cash equivalents: The carrying value of cash equivalents approximates fair value because the maturities are less than three months.

Equities, mutual funds and other assets: The fair value of equities, mutual funds and other assets is the market value based on quoted market prices.

Derivative Instrument: Derivatives are fair valued according to their classification as over-the-counter (OTC). OTC derivatives consist of an interest rate swap contract. These derivatives are fair valued under Level 2 using third party services. Observable market inputs include yield curves (the LIBOR swap curve, counterparty credit risk, and other related data). Credit valuation adjustments are required to reflect both our own nonperformance risk and the respective counterparty's nonperformance risk. These adjustments are determined generally by applying a credit spread for the counterparty or the Organization as appropriate to the total expected exposure of the derivative.

Beneficial interest in perpetual trust: The fair value of the beneficial interest in perpetual trust is based on quoted market prices of underlying investments. An independent third party trustee manages the assets held in trust, and the Organization has no authority over investment decisions. Thus, they are classified as Level 3 within the fair value hierarchy levels.

The following table summarizes the Organization's assets and liabilities measured at fair value on a recurring basis by level, within the fair value hierarchy at December 31:

	2021			
Description	Level 1	Level 2	Level 3	Total
Assets:				
Investments (Note 6):				
Cash equivalents	$ 17,826,860	$ -	$ -	$ 17,826,860
Equities	6,526,105	-	-	6,526,105
Mutual funds	9,027,284	-	-	9,027,284
Other assets	224,702	-	-	224,702
Total investments	33,604,951	-	-	33,604,951
Beneficial Interest in perpetual trust (Note 7)	-	-	46,407	46,407
	$ 33,604,951	$ -	$ 46,407	$ 33,651,358

Note 8. Fair Value Measurements (Continued)

	2020			
Description	Level 1	Level 2	Level 3	Total
Assets:				
Investments (Note 6):				
Cash equivalents	$ 486,560	$ -	$ -	$ 486,560
Mutual funds	6,416,761	-	-	6,416,761
Total investments	6,903,321	-	-	6,903,321
Beneficial Interest in perpetual trust (Note 7)	-	-	42,516	42,516
	$ 6,903,321	$ -	$ 42,516	$ 6,945,837
Liabilities:				
Interest rate swap contract (Note 12)	$ -	$ (917,043)	$ -	$ (917,043)

The following table presents quantitative information about significant unobservable inputs used in Level 3 fair value measurements at December 31:

	2021 Fair Value	2020 Fair Value	Valuation Technique	Unobservable Input	Range (Weighted Average)
Beneficial interest in trusts	$ 46,407	$ 42,516	Market approach based on underlying securities	None	N/A

There were no transfers out of Level 3 assets during the years ended December 31, 2021 and 2020.

Note 9. Notes Payable

DHCD: The Department of Housing and Community Development (DHCD) provided financing to the Company in the form of a $750,000 HOME Loan. This note bore interest at the greater of 5.12% or the Applicable Federal Rate (AFR). As of December 31, 2020, the interest rate was 5.12%. Interest began accruing on the date of the first draw and compounded annually. All interest and principal was originally due on the maturity date, December 2033. As of December 31, 2020, $750,000 has been drawn against the note, and $936,074 of interest has been accrued, respectively. Interest expense totaled $86,327 and $82,122 for the years ending December 31, 2021 and 2020, respectively. This note was secured by all business assets of the Company. During 2021, the balance of the note was assumed by the buyer and accrued interest totaling $1,022,403 was forgiven and included in gain (loss) from discontinued operations on the accompanying consolidated statements of activities.

Note 9. Notes Payable (Continued)

CEDAC: The Community Economic Development Assistance Corporation (CEDAC) provided financing to the Company in the form of a $750,000 HIF Loan. As of December 31, 2020, $750,000 has been drawn against the note. On September 5, 2007, the Company signed an amendment to reduce the interest rate to 0%, and retroactively reduce the interest to zero to the date the note was assigned (January 1, 2006). Payments were due annually to the extent Gross Cash Receipts exceeds 105% of Gross Cash Expenditures, as those terms are defined. Unpaid principal and interest accrued was originally due on the maturity date, December 2033. As of December 31, 2020, $39,733 of interest has been accrued for years prior to the 2007 amendment. This note was secured by all business assets of the Company**.** During 2021, the balance of the note was repaid from sale proceeds and the accrued interest was forgiven and included in gain (loss) from discontinued operations on the accompanying consolidated statements of activities.

DND: The City of Boston Department of Neighborhood Development (DND) provided additional financing to the Company through two loans in the amounts of $1,000,000 and $250,000. As of December 31, 2020, $1,250,000 has been drawn against the notes. These notes bore simple interest at 1% per annum. Interest began accruing on the date of the first draw and totaled $203,547 as of December 31, 2020. Unpaid principal and interest was originally due on the maturity date, August 2036. Interest expense totaled $12,500 for each of the years ended December 31, 2021 and 2020. This note was secured by all business assets of the Company. Principal and interest payments on all of the above notes payable were subject to available cash flow from the Company's operations or are deferred until maturity. During 2021, the balance of the loans were assumed by the buyer and accrued interest totaling $216,048 was forgiven and included in gain (loss) from discontinued operations on the accompanying consolidated statements of activities.

Note 10. Mortgage Notes Payable

Permanent financing with the Massachusetts Housing Partnership (MHP) in the original amount of $20,550,000 was evidenced by three promissory notes. These notes were secured by all business assets of the Company.

The first note, in the amount of $9,000,000, bore a 6.95% annual interest rate. Payments of principal and interest were due monthly, and began in June 2006. Payments based on a 30-year amortization schedule of principal and interest were originally due through June 2022.

The second note, in an amount of $5,775,000, bore interest at the one month LIBOR rate plus 175 basis points (1.90% at December 31, 2020) per annum, subject to the swap agreement, which is discussed in Note 12. Payments of interest only were due monthly through June 15, 2006. Payments based on a 30-year amortization schedule of principal and interest were originally due through June 2022.

The third note, also in an amount of $5,775,000, bore interest at the one month LIBOR rate plus 175 basis points (1.90% at December 31, 2020) per annum, subject to the swap agreement, which is discussed in Note 12. Payments of interest only were due monthly through June 15, 2006. Payments based on a 30-year amortization schedule of principal and interest were originally due through June 2022.

The notes were payable in monthly installments of approximately $140,921 for principal and interest. The notes also required monthly deposits to the reserve for replacement in the amount of $12,959 ($12,342 during the year ended December 31, 2020). In addition, monthly deposits of $44,333 ($43,167 during the year ended December 31, 2020) were made to escrow real estate taxes and sewer and water charges.

Note 10. Mortgage Notes Payable (Continued)

Under the amended terms of the permanent financing with MHP, the Company was required to maintain a debt coverage ratio for the loan of at least 1.10 and a debt coverage ratio of 1.05 for all debt and a loan to value ratio of 90% or less. The loan to value ratio was tested from time to time at lenders' discretion at the Company's cost. During 2020, the Company did not meet the required debt coverage ratios and the loan to value ratio. During 2020, the Company entered into a forbearance agreement, which provided a waiver of all financial covenants until August 2021, which was then amended through the sale in 2021. The Company was also required to provide for an irrevocable letter of credit that, combined with the operating reserve, will equal $880,000.

As of December 31, 2020, principal of $16,497,359 was outstanding and included in liabilities from discontinued operations net of deferred costs totaling $20,451. Interest expense for 2021 and 2020, was $1,442,322 and $1,238,096, respectively. During 2021, the notes were repaid in full from the proceeds of the sale.

Note 11. Purchase Money Note

On July 1, 2003, the Organization sold a building to the Company and took back a purchase money note in the amount of $8,400,000. The interest rate was 4.09% per annum, compounded monthly. Unpaid principal and interest was due in December 2033. The note and interest were not recorded for financial statement purposes, but rather the building was reported by the Company at the original cost net of accumulated depreciation at the date of transfer. As of December 31, 2020, the principal and interest owed totaled $14,412,300. On November 1, 2021, the Organization received $12,112,457 from the Company and the remaining amount owed was forgiven.

Note 12. Interest Rate Swap Contract

The Company had entered into an Interest Rate Swap (SWAP) agreement to reduce the impact of interest rate fluctuations on its variable rate borrowings. The SWAP was not held for trading or other speculative purposes, became effective as of December 19, 2003, and originally matured on June 18, 2022. The value of the swap instrument represented the estimated cost to the Company to cancel the agreement at the reporting date, which was based on pricing models that consider risks and market factors. The swap agreement was terminated and paid off with the proceeds from the sale resulting in a loss of $491,323, which has been included in gain (loss) from discontinued operations on the accompanying consolidated statements of activities.

By using derivative financial instruments to manage changes in interest rates, the Company exposes itself to credit risk and market risk. The credit risk is the risk of a counterparty not performing under the terms of the SWAP. The counterparty to the SWAP is a major financial institution, which has an A-credit rating by Standard & Poor's Ratings Group. The Company monitors the credit rating of the counterparty periodically and the amount of the Company's debt subject to the SWAP agreement with any one party. Therefore, the Company believes the likelihood of realizing material losses from counterparty non-performance is remote.

Market risk is the adverse effect of the value of the financial instrument that results from a change in interest rates. The market risk associated with interest-rate contracts is managed by the establishment and monitoring of parameters that limit the types and degree to market risk that may be undertaken. These risks are managed by the Company's management, and it was management's intent to pay off derivative agreements from the sale of the building.

Note 12. Interest Rate Swap Contract (Continued)

The Company had an interest rate swap agreement relating to the second and third notes (Note 11) that effectively converts the Company's variable interest rate to a fixed rate of 7.79%. This swap was utilized to manage interest rate exposure. The differential to be paid or received on the swap agreement was accrued as interest rates change and was recognized over the life of the agreement in interest expense. The notional amount was $9,644,650 as of December 31, 2020.

Fair Value of Derivative Instruments not Designated as Hedging Instruments on the Consolidated Statements of Financial Position as of December 31, 2021 and 2020

Derivative	Statement of Financial Position Location	Fair Value 2021	Statements of Financial Position Location	Fair Value 2020
Interest rate contract	N/A	$ -	Liabilities from discontinued operations	$ 917,043

The Effect of Derivative Instruments on the Consolidated Statements of Activities for the Years Ended December 31, 2021 and 2020

Derivative	Location of Gain Recognized in Non-Operating Income Without Donor Restrictions	Amount of Gain Recognized in Non-Operating Income Without Donor Restrictions	
		2021	2020
Interest rate swap contract	Gain (loss) from discontinued operations	$ 425,720	$ 201,981

Note 13. Line of Credit

The Organization has a $500,000 line of credit agreement with a bank that bears interest at 6.00%. The line is secured by all business assets. The line must be paid to zero over a period of no less than 30 consecutive days in each successive annual period. The line is subject to an annual review and renewal on July 31 each year. There was no outstanding balance as of December 31, 2021 and 2020.

The Company had a $500,000 line of credit agreement with a bank that bore interest at 4% expiring on December 31, 2071. The line was secured by all business assets. The Company incurred $763 of interest expense on the line of credit during the year ended December 31, 2020. The outstanding balance at December 31, 2020 was $317,837, which was included in liabilities from discontinued operations (see Note 24) and was repaid in full during 2021. The line of credit agreement was terminated with the sale of the Project assets during 2021.

Note 14. Paycheck Protection Program Liability

On April 17, 2020, the Organization received a loan from Eastern Bank in the aggregate amount of $294,460 pursuant to the Paycheck Protection Program (the PPP) under Division A, Title I of the Coronavirus Aid, Relief and Economic Securities Act (CARES Act), which was enacted on March 27, 2020. The Loan, which was in the form of a Note dated April 17, 2020, originally matured on April 17, 2022, and bore interest at a rate of 1% per annum, payable monthly commencing on November 17, 2020. The PPP loan may be prepaid by the Borrower at any time prior to maturity with no prepayment penalties. Funds from the Loan may only be used for payroll costs, costs used to continue group health care benefits, mortgage payments, rent, utilities and interest on debt obligations entered into before February 15, 2020. The Organization used the entire Loan amount for qualifying expenses. Under the terms of the PPP, certain amounts of the Loan may be forgiven if they are used for qualifying expenses as described in the CARES Act. The unforgiven portion of the loan is payable over two years with a deferral of payments for the first six months. On June 5, 2020, there was an amendment to the CARES Act signed into law affecting the PPP. This amendment lengthens the covered time period for loan forgiveness and also modifies certain conditions of the loan creating additional flexibility in regards to how the funds must be spent. During the year ended December 31, 2021, the Organization satisfied all associated barriers and received formal forgiveness of the loan from the Small Business Administration on July 13, 2021, and recognized revenue in the amount of $294,460. This is reported as government grant revenues in the consolidated statement of activities. The Small Business Administration retains the right to audit loans that were forgiven for up to six years to review for compliance with the spending and determination of need requirements of the loan.

Note 15. Operating Leases

On November 1, 2021 the Organization entered into a non-cancelable operating lease agreement for its office space and additional storage space through calendar year 2032. Rent expense incurred by the Organization under this lease agreement was $18,351 for the year ended December 31, 2021.

Future minimum rental payments over the next five years are as follows for the years ending December 31:

2022	$ 153,212
2023	155,700
2024	211,748
2025	216,724
2026	221,701
Thereafter	878,020
	$ 1,837,105

The Organization leases equipment under various non-cancelable operating leases that are effective through calendar year 2023. Rent expense incurred by the Organization under these lease agreements was $4,375 and $6,489, respectively, for the years ended December 31, 2021 and 2020.

Future minimum rental payments over the next five years and in the aggregate under non-cancelable operating leases having remaining terms in excess of one year are as follows for the years ending December 31:

2022	$ 4,487
2023	748
	$ 5,235

Note 16. Rental Income

The Company leased space to commercial tenants for various lengths of time through 2026. These leases provided for specific monthly payments plus reimbursement for certain operating costs. Additionally, many of these leases called for renewal at the option of the lessee. For the years ended December 31, 2021 and 2020, revenue related to these leases totaled $772,367 and $1,288,971, respectively, and has been included in gain (loss) from discontinued operations on the accompanying consolidated statements of activities.

The Company also leased residential units through short-term lease agreements. For the years ended December 31, 2021 and 2020, revenue related to these leases totaled $1,345,130 and $1,868,415, respectively, and has been included in gain (loss) from discontinued operations on the accompanying consolidated statements of activities.

Note 17. Pension Plan

The Organization is a participating employer sponsor of the YWCA Retirement Fund, Inc. (the Fund), a multiple employer cash balance defined benefit plan. The plan annually elects to contribute up to 10% of eligible employees' annual compensation. For the years ended December 31, 2021 and 2020, 3% was elected. Employees are eligible when they provide 1,000 hours of service each year for two years. Optional payments by employees are allowed up to 10% of annual compensation, which vest immediately. The Organization's contributions are fully vested immediately. The actuarial present value of the benefit obligation and fair value of plan assets are not available separately for each employer that participates in the plan.

The Organization's policy is to fund pension costs as they are incurred. Pension expense was $39,469 and $23,796, respectively, for the years ended December 31, 2021 and 2020. This expense is included in salaries, wages and benefits in the accompanying consolidated financial statements. As a participating employer sponsor, the only obligation of the Organization is to make contributions on behalf of its employees. All other obligations associated with this plan are the responsibility of the national Organization.

Note 18. Net Assets

Net assets with donor restrictions consist of the following at December 31:

	2021	2020
Subject to appropriation and expenditure when a specific event occurs:		
Program activities	$ 125,000	$ 70,000
Subject to the passage of time:		
Grants and contributions receivable	1,586,475	1,051,059
Subject to Organization spending policy and appropriation:		
Investments in perpetuity (including original gifts totaling $1,761,756 and $1,748,855 as of December 2021 and 2020, respectively) and the investment income from which is expendable to support:		
Operations	2,120,158	2,055,174
Not subject to spending policy or appropriations:		
Beneficial interest in perpetual trust	46,407	42,516
Total net assets with donor restrictions	$ 3,878,040	$ 3,218,749

Note 18. Net Assets (Continued)

The Organization's Board of Directors has designated $30,540,988 and $4,240,649 of net assets without donor restrictions for the purposes of endowment as of December 31, 2021 and 2020, respectively.

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of the passage of time or other events specified by donors as follows for the years ended December 31:

	2021	2020
Release of purpose and time restrictions:		
Contributions receivable/time restrictions	$ 618,334	$ 75,000
Program activities	145,000	70,000
	$ 763,334	$ 145,000

Note 19. Endowment Net Assets

The Organization's endowment consists of approximately five individual funds established for a variety of purposes, including both donor restricted endowment funds and funds designated by the Board to function as endowments (board designated endowment).

The following is a summary of endowment net asset composition by type of fund at December 31:

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment fund	$ -	$ 2,120,158	$ 2,120,158
Board-designated endowment fund	30,540,988	-	30,540,988
	$ 30,540,988	$ 2,120,158	$ 32,661,146

	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment fund	$ -	$ 2,055,174	$ 2,055,174
Board-designated endowment fund	4,240,649	-	4,240,649
	$ 4,240,649	$ 2,055,174	$ 6,295,823

Note 19. Endowment Net Assets (Continued)

The following is a summary of changes in the endowment net assets for the years ended December 31:

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	$ 4,240,649	$ 2,055,174	$ 6,295,823
Designations by Board to endowment	25,425,787	-	25,425,787
Investment income, net	874,552	64,984	939,536
Endowment net assets, end of year	$ 30,540,988	$ 2,120,158	$ 32,661,146

	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	$ 4,421,494	$ 1,933,380	$ 6,354,874
Investment income, net	274,047	121,794	395,841
Appropriation of endowment assets for expenditures	(454,892)	-	(454,892)
Endowment net assets, end of year	$ 4,240,649	$ 2,055,174	$ 6,295,823

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level the donor requires the Organization to retain as a fund of perpetual duration. As of December 31, 2021 and 2020, there were no underwater endowment funds.

Note 20. Concentration of Credit Risk

The Organization maintains its cash and cash equivalent balances in various Massachusetts banks, which at times may exceed federally insured limits. The Organization has not experienced any losses in such accounts, and monitors the credit-worthiness of the financial institutions with which it conducts business. Management believes the Organization is not exposed to any significant credit risk with respect to its cash balances.

Note 21. Commitments and Contingencies

The Organization is subject to a variety of suits and proceedings arising in the ordinary course of business. In the opinion of management, no litigation, individually or in the aggregate, currently pending or to the knowledge of the Organization, threatened against it will result in a material adverse effect on its financial condition.

Note 22. Non-Controlling Interest

The following is a summary of the changes in net assets and the non-controlling interest attributable to the investor member's interests in the Company at December 31:

	2021				
	Without Donor Restrictions	With Donor Restrictions	Non-Controlling Interest	Eliminations	Total
Balance at beginning of year	$ 14,645,030	$ 3,218,749	$ (2,541,866)	$ (2,477,169)	$ 12,844,744
Change in net assets:					
Operating revenues and support	3,782,103	1,051,666	-	(142,964)	4,690,805
Operating expenses	(3,231,995)	-	-	103,804	(3,128,191)
Non-operating revenues (losses)	20,304,750	(392,375)	(1,245,759)	(7,547,746)	11,118,870
Gain (loss) from discontinued operations	(96,739)	-	1,673,497	9,686,609	11,263,367
Transfer to (from) non-controlling interest	(2,114,128)	-	2,114,128	-	-
Balance at end of year	$ 33,289,021	$ 3,878,040	$ -	$ (377,466)	$ 36,789,595

	2020				
	Without Donor Restrictions	With Donor Restrictions	Non-Controlling Interest	Eliminations	Total
Balance at beginning of year	$ 14,267,800	$ 2,572,463	$ 238,455	$ (2,492,150)	$ 14,586,568
Change in net assets:					
Operating revenues and support	3,083,081	520,000	-	(190,763)	3,412,318
Operating expenses	(2,475,436)	-	-	121,566	(2,353,870)
Rental/hotel income	-	-	3,829,964	(121,566)	3,708,398
Rental/hotel expenses	(103,634)	-	(6,812,544)	222,704	(6,693,474)
Non-operating revenues (losses)	(126,781)	126,286	202,259	(16,960)	184,804
Balance at end of year	$ 14,645,030	$ 3,218,749	$ (2,541,866)	$ (2,477,169)	$ 12,844,744

Note 23. Uncertainty

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and, on March 11, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, quarantines in certain areas and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had, and are expected to continue to have, an adverse impact on the economies and financial markets of many countries, including the geographical area in which the Organization operates. While it is unknown how long these conditions will last and what the complete financial effect will be to the Organization, the Organization had experienced negative impacts to revenue resulting from the closure of its hotel in March 2020.

Note 24. Discontinued Operations

On November 1, 2021, the Organization sold the Company to an unrelated third party for $51,491,000. The sale of the Project assets was accounted for and presented in the consolidated statements of activities as discontinued operations.

The following is a summary of assets and liabilities from discontinued operations as of December 31:

	2021	2020
Carrying amounts of major classes of assets included as part of discontinued operations:		
Cash and cash equivalents	$ 183,427	$ 232,002
Rent receivable	237,993	432,118
Prepaid expenses	-	56,974
Tenant security deposits	-	172,841
Escrow deposits	-	232,535
Property and equipment, net	-	25,886,208
Deferred rent	-	131,247
Deferred costs, net	-	90,489
Total assets from discontinued operations	$ 421,420	$ 27,234,414
Carrying amounts of major classes of liabilities included as part of discontinued operations:		
Mortgage notes payable, net of deferred costs	$ -	$ 16,477,088
Accounts payable and accrued expenses	43,992	565,994
Deferred revenue	-	30,080
Deposits from buyer	-	400,500
Tenant security deposits	-	89,933
Notes payable	-	2,750,000
Line of credit	-	317,837
Accrued interest payable	-	1,179,353
Fair value of interest rate swap contract	-	917,043
Total liabilities from discontinued operations	$ 43,992	$ 22,727,828

The following is a reconciliation of revenue and expenses included in gain (loss) from discontinued operations as of December 31:

	2021	2020
Major classes of line items constituting gain (loss) from discontinued operations:		
Rental/hotel income	$ 2,160,009	$ 3,708,398
Rental/hotel expense	(6,332,271)	(6,693,474)
Forgiveness of debt	3,278,184	-
Gain on interest rate swap	425,720	201,981
Gain on sale of project assets	11,731,725	-
	$ 11,263,367	$ (2,783,095)

Note 24. Discontinued Operations (Continued)

The totals from discontinued operations for operating and investing activities are as follows as of December 31:

	2021	2020
Total cash flows from operating activities	$(21,157,352)	$ (930,102)
Total cash flows from investing activities	$ 40,760,100	$ 227,855

Other amounts relating to discontinued operations are as follows as of December 31:

	2021	2020
Depreciation	$ 1,363,849	$ 1,636,620
Amortization	$ 11,688	$ 14,025
Payments for property and equipment (net)	$ (32,200)	$ (172,645)

RSM US LLP

Independent Auditor's Report on the Supplementary Information

Boards of Directors
Young Women's Christian Organization of Boston, Inc. and Affiliates

We have audited the consolidated financial statements of Young Women's Christian Organization of Boston, Inc. and Affiliates (the Organization) as of and for the years ended December 31, 2021 and 2020, and have issued our report thereon, which contains an unmodified opinion on those consolidated financial statements. See pages 1-2. Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information is presented for purposes of additional analysis rather than to present the financial position, results of operations and cash flows of the individual companies 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 consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole.

RSM US LLP

Boston, Massachusetts
July 29, 2022

Young Women's Christian Association of Boston, Inc. and Affiliates

Consolidating Statement of Financial Position
December 31, 2021

	YWCA Boston, Inc.	Clarendon Residences, LLC	YWCA Clarendon, Inc.	Consolidated Totals Before Eliminations	Eliminations	Consolidated Totals
Assets						
Current assets:						
Cash and equivalents	$ 1,638,655	$ -	$ -	$ 1,638,655	$ -	$ 1,638,655
Current portion of contributions receivable, net	583,197	-	-	583,197	-	583,197
Other receivables	166,550	-	-	166,550	-	166,550
Prepaid expenses and other assets	110,697	-	-	110,697	-	110,697
Assets from discontinued operations	-	421,420	-	421,420	-	421,420
Total current assets	2,499,099	421,420	-	2,920,519	-	2,920,519
Other assets:						
Contributions receivable, net of current portion	671,666	-	-	671,666	-	671,666
Investments	33,604,951	-	-	33,604,951	-	33,604,951
Investment in affiliates	377,428	-	38	377,466	(377,466)	-
Beneficial interest in perpetual trust	46,407	-	-	46,407	-	46,407
Total other assets	34,700,452	-	38	34,700,490	(377,466)	34,323,024
Total assets	$ 37,199,551	$ 421,420	$ 38	$ 37,621,009	$ (377,466)	$ 37,243,543

(Continued)

Young Women's Christian Association of Boston, Inc. and Affiliates

Consolidating Statement of Financial Position (Continued)
December 31, 2021

	YWCA Boston, Inc.	Clarendon Residences, LLC	YWCA Clarendon, Inc.	Consolidated Totals Before Eliminations	Eliminations	Consolidated Totals
Liabilities and Net Assets/Members' Equity						
Current liabilities:						
Accounts payable and accrued expenses	$ 403,299	$ -	$ -	$ 403,299	$ -	$ 403,299
Deferred revenue	6,657	-	-	6,657	-	6,657
Liabilities from discontinued operations	-	43,992	-	43,992	-	43,992
Total current liabilities	409,956	43,992	-	453,948	-	453,948
Total liabilities	409,956	43,992	-	453,948	-	453,948
Net assets/members' equity:						
Without donor restrictions/members' equity (deficit):	32,911,555	377,428	38	33,289,021	(377,466)	32,911,555
With donor restrictions	3,878,040	-	-	3,878,040	-	3,878,040
Total net assets/members' equity (deficit)	36,789,595	377,428	38	37,167,061	(377,466)	36,789,595
Total liabilities and net assets/members' equity (deficit)	$ 37,199,551	$ 421,420	$ 38	$ 37,621,009	$ (377,466)	$ 37,243,543

Young Women's Christian Association of Boston, Inc. and Affiliates

Consolidating Statement of Activities
Year Ended December 31, 2021

	YWCA Boston, Inc.						Totals		
	Without Donor Restrictions	With Donor Restrictions	Totals	Clarendon Residences, LLC	YWCA Clarendon, Inc.	Eliminating Entries	Without Donor Restrictions/ Members' Equity	With Donor Restrictions	Consolidated Totals
Operating revenues and support:									
Foundation and corporate contributions	$ 342,750	$ 1,815,000	$ 2,157,750	$ -	$ -	$ -	$ 342,750	$ 1,815,000	$ 2,157,750
Government grant revenues	72,222	-	72,222	-	-	-	72,222	-	72,222
Individuals' contributions	336,188	-	336,188	-	-	-	336,188	-	336,188
United Way revenue	17,480	-	17,480	-	-	-	17,480	-	17,480
Special events revenue (net of expenses of $20,081)	292,979	-	292,979	-	-	-	292,979	-	292,979
Donated services	38,672	-	38,672	-	-	-	38,672	-	38,672
Program revenue	1,775,514	-	1,775,514	-	-	-	1,775,514	-	1,775,514
Rental activities: ground lease and management fee income	142,964	-	142,964	-	-	(142,964)	-	-	-
Net assets released from restrictions	763,334	(763,334)	-	-	-	-	763,334	(763,334)	-
Total operating revenues and support	3,782,103	1,051,666	4,833,769	-	-	(142,964)	3,639,139	1,051,666	4,690,805
Expenses:									
Program	2,472,293	-	2,472,293	-	-	(80,586)	2,391,707	-	2,391,707
Management, general and administrative	284,558	-	284,558	-	-	(8,944)	275,614	-	275,614
Fundraising	475,144	-	475,144	-	-	(14,274)	460,870	-	460,870
Total expenses	3,231,995	-	3,231,995	-	-	(103,804)	3,128,191	-	3,128,191
Operating gain	550,108	1,051,666	1,601,774	-	-	(39,160)	510,948	1,051,666	1,562,614
Non-operating revenues (losses):									
Net non-endowment investment return	(2,701,024)	-	(2,701,024)	-	(1,245,759)	4,070,995	124,212	-	124,212
Net endowment investment return	874,552	64,984	939,536	-	-	-	874,552	64,984	939,536
Net assets released from restrictions - non-operating	461,250	(461,250)	-	-	-	-	461,250	(461,250)	-
Change in beneficial interest in perpetual trust	-	3,891	3,891	-	-	-	-	3,891	3,891
Interest on related party receivables	14,930	-	14,930	-	-	(14,930)	-	-	-
Government grant revenues	294,460	-	294,460	-	-	-	294,460	-	294,460
Cancellation of debt	(668,646)	-	(668,646)	-	-	508,646	(160,000)	-	(160,000)
Purchase money note repayment	12,112,457	-	12,112,457	-	-	(12,112,457)	-	-	-
Gain on sale of project assets	9,916,771	-	9,916,771	-	-	-	9,916,771	-	9,916,771
Total non-operating revenues (losses)	20,304,750	(392,375)	19,912,375	-	(1,245,759)	(7,547,746)	11,511,245	(392,375)	11,118,870
Change in net assets/members' equity before discontinued operations	20,854,858	659,291	21,514,149	-	(1,245,759)	(7,586,906)	12,022,193	659,291	12,681,484
Gain (loss) from discontinued operations	(96,739)	-	(96,739)	1,673,497	-	9,686,609	11,263,367	-	11,263,367
Change in net assets/members' equity	20,758,119	659,291	21,417,410	1,673,497	(1,245,759)	2,099,703	23,285,560	659,291	23,944,851
Net assets/members' equity at beginning of year	12,153,436	3,218,749	15,372,185	(1,296,069)	1,245,797	(2,477,169)	9,625,995	3,218,749	12,844,744
Net assets/members' equity at end of year	$ 32,911,555	$ 3,878,040	$ 36,789,595	$ 377,428	$ 38	$ (377,466)	$ 32,911,555	$ 3,878,040	$ 36,789,595