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

Consolidated Financial Report
December 31, 2020

Contents

Independent Auditor's Report

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

Report on the Financial Statements
We have audited the accompanying 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, 2020 and 2019, 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).

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

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

RSM US LLP

Boston, Massachusetts
July 1, 2021

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

Consolidated Statements of Financial Position
December 31, 2020 and 2019

	2020	2019
Assets		
Current assets:		
Cash and cash equivalents	**$ 1,026,699**	$ 1,017,312
Rent receivable	**432,118**	130,270
Current portion of contributions receivable, net	**411,712**	231,392
Other receivables	**358,873**	81,728
Prepaid expenses	**63,974**	118,053
Tenant security deposits	**172,841**	176,675
Escrow deposits	**232,535**	642,818
Total current assets	**2,698,752**	2,398,248
Property and equipment, net	**26,061,208**	27,496,121
Other assets:		
Cash held for endowment	**-**	50,000
Contributions receivable, net of current portion	**215,000**	-
Investments	**6,903,321**	6,874,991
Deferred rent	**131,247**	196,645
Deferred costs, net	**90,489**	119,551
Beneficial interest in perpetual trust	**42,516**	38,024
Total other assets	**7,382,573**	7,279,211
Total assets	**$ 36,142,533**	$ 37,173,580
Liabilities and Net Assets/Members' Equity		
Current liabilities:		
Mortgage notes payable – current portion, net of deferred financing costs	**$ 475,016**	$ 453,990
Accounts payable and accrued expenses	**753,832**	628,697
Deferred revenue	**115,243**	95,141
Paycheck Protection Program liability	**294,460**	-
Deposits from buyer	**400,500**	-
Tenant security deposits	**92,433**	109,046
Total current liabilities	**2,131,484**	1,286,874
Long-term liabilities:		
Notes payable	**2,750,000**	2,750,000
Line of credit	**317,837**	-
Mortgage notes payable, net of current portion and deferred financing costs	**16,002,072**	16,346,381
Accrued interest payable	**1,179,353**	1,084,733
Fair value of interest rate swap contract	**917,043**	1,119,024
Total long-term liabilities	**21,166,305**	21,300,138
Total liabilities	**23,297,789**	22,587,012
Net assets/members' equity:		
Without donor restrictions/members' equity	**12,167,861**	11,775,650
With donor restrictions	**3,218,749**	2,572,463
Non-controlling interest in affiliates	**(2,541,866)**	238,455
Total net assets/members' equity	**12,844,744**	14,586,568
Total liabilities and net assets/members' equity	**$ 36,142,533**	$ 37,173,580

See notes to consolidated financial statements.

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

Consolidated Statements of Activities
Years Ended December 31, 2020 and 2019

	Without Donor Restrictions	With Donor Restrictions	2020 Total	Without Donor Restrictions	With Donor Restrictions	2019 Total
Operating revenues and support:						
Foundation and corporate contributions	**$ 492,160**	**$ 665,000**	**$ 1,157,160**	$ 171,146	$ 150,000	$ 321,146
Individuals' contributions	**365,395**	**-**	**365,395**	302,153	-	302,153
State contributions	**69,577**	**-**	**69,577**	49,556	-	49,556
United Way revenue	**18,240**	**-**	**18,240**	19,000	-	19,000
Special events revenue (net of expenses of $3,653 and $44,570 as of December 31, 2020 and 2019, respectively)	**249,145**	**-**	**249,145**	252,784	-	252,784
Donated services	**16,857**	**-**	**16,857**	39,439	-	39,439
Program revenue	**1,081,052**	**-**	**1,081,052**	379,778	-	379,778
Other revenue	**-**	**-**	**-**	200,000	-	200,000
Investment return designated for operations	**454,892**	**-**	**454,892**	871,037	-	871,037
Provision for uncollectible pledges	**-**	**-**	**-**	-	(3,000)	(3,000)
Net assets released from restrictions	**145,000**	**(145,000)**	**-**	140,000	(140,000)	-
Total operating revenues and support	**2,892,318**	**520,000**	**3,412,318**	2,424,893	7,000	2,431,893
Expenses:						
Program	**1,831,826**	**-**	**1,831,826**	1,549,288	-	1,549,288
Management, general and administrative	**222,243**	**-**	**222,243**	264,094	-	264,094
Fundraising	**299,801**	**-**	**299,801**	396,565	-	396,565
Total expenses	**2,353,870**	**-**	**2,353,870**	2,209,947	-	2,209,947
Operating gain before net rental activities	**538,448**	**520,000**	**1,058,448**	214,946	7,000	221,946
Rental/hotel activities:						
Rental/hotel income	**3,708,398**	**-**	**3,708,398**	7,644,783	-	7,644,783
Rental/hotel expense	**(6,693,474)**	**-**	**(6,693,474)**	(8,310,317)	-	(8,310,317)
Net rental activities	**(2,985,076)**	**-**	**(2,985,076)**	(665,534)	-	(665,534)
Operating gain (loss)	**(2,446,628)**	**520,000**	**(1,926,628)**	(450,588)	7,000	(443,588)
Non-operating revenues (losses):						
Net non-endowment investment return	**37,382**	**-**	**37,382**	78,456	-	78,456
Net endowment investment return	**274,047**	**121,794**	**395,841**	738,140	262,519	1,000,659
Investment return designated for operations	**(454,892)**	**-**	**(454,892)**	(871,037)	-	(871,037)
Change in beneficial interest in perpetual trust	**-**	**4,492**	**4,492**	-	5,493	5,493
Change in fair value of interest rate swap contract	**201,981**	**-**	**201,981**	104,369	-	104,369
Total non-operating revenues (losses)	**58,518**	**126,286**	**184,804**	49,928	268,012	317,940
Changes in net assets/members' equity	**(2,388,110)**	**646,286**	**(1,741,824)**	(400,660)	275,012	(125,648)
Change in net assets/members' equity	**(2,388,110)**	**646,286**	**(1,741,824)**	(400,660)	275,012	(125,648)
Net assets/members' equity at beginning of year	**12,014,105**	**2,572,463**	**14,586,568**	12,414,765	2,297,451	14,712,216
Net assets/members' equity at end of year	**$ 9,625,995**	**$ 3,218,749**	**$ 12,844,744**	$ 12,014,105	$ 2,572,463	$ 14,586,568

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	Subtotal	Real Estate Operations	Total
Salaries and related benefits	$ 1,242,781	$ 385,129	$ 1,627,910	$ 112,570	$ 274,791	$ 2,015,271	$ 1,238,414	$ 3,253,685
Professional services	47,425	16,215	63,640	90,874	2,009	156,523	698,239	854,762
Supplies	6,997	1,229	8,226	136	1,359	9,721	60,236	69,957
Occupancy	70,315	25,984	96,299	15,729	11,483	123,511	1,335,109	1,458,620
Insurance	9,549	3,529	13,078	2,136	1,559	16,773	148,080	164,853
Advertising	1,914	456	2,370	-	524	2,894	16,224	19,118
Travel and meetings	19,473	2,556	22,029	649	701	23,379	67,729	91,108
Information technology	51,626	15,991	67,617	4,989	7,144	79,750	60,490	140,240
Office	6,417	2,577	8,994	10,641	11,533	31,168	290,016	321,184
National dues	12,009	4,437	16,446	-	-	16,446	-	16,446
Interest	-	-	-	-	-	-	1,365,021	1,365,021
Total expenses before depreciation and amortization	1,468,506	458,103	1,926,609	237,724	311,103	2,475,436	5,279,558	7,754,994
Depreciation and amortization	-	-	-	-	-	-	1,636,620	1,636,620
Total expenses before eliminations	1,468,506	458,103	1,926,609	237,724	311,103	2,475,436	6,916,178	9,391,614
Eliminations	(71,829)	(22,954)	(94,783)	(15,481)	(11,302)	(121,566)	(222,704)	(344,270)
Total expenses	$ 1,396,677	$ 435,149	$ 1,831,826	$ 222,243	$ 299,801	$ 2,353,870	$ 6,693,474	$ 9,047,344

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, 2019

	DEI Services	FYRE Girls Program	Total Program Services	Supporting Services: Management, General and Administrative	Supporting Services: Fundraising	Subtotal	Real Estate Operations	Total
Salaries and related benefits	$ 881,614	$ 392,237	$ 1,273,851	$ 150,889	$ 317,127	$ 1,741,867	$ 1,660,856	$ 3,402,723
Professional services	77,071	38,919	115,990	88,072	33,776	237,838	790,467	1,028,305
Supplies	5,169	2,276	7,445	1,422	1,714	10,581	166,213	176,794
Occupancy	60,273	26,535	86,808	16,560	19,986	123,354	2,069,361	2,192,715
Insurance	8,498	3,741	12,239	2,335	2,818	17,392	122,926	140,318
Advertising	11,303	5,131	16,434	-	6,689	23,123	53,862	76,440
Travel and meetings	11,405	20,198	31,603	3,097	4,215	38,915	-	38,915
Information technology	34,889	15,360	50,249	9,586	11,569	71,404	-	71,404
Office	18,922	7,931	26,853	4,443	17,024	48,320	620,719	669,039
National dues	8,413	3,704	12,117	2,312	2,790	17,219	-	17,219
Interest	-	-	-	-	-	-	1,407,503	1,407,503
Total expenses before depreciation and amortization	1,117,557	516,032	1,633,589	278,716	417,708	2,330,013	6,891,907	9,221,920
Depreciation and amortization	-	-	-	-	-	-	1,677,008	1,677,008
Total expenses before eliminations	1,117,557	516,032	1,633,589	278,716	417,708	2,330,013	8,568,915	10,898,928
Eliminations	(60,324)	(23,977)	(84,301)	(14,622)	(21,143)	(120,066)	(258,598)	(378,664)
Total expenses	$ 1,057,233	$ 492,055	$ 1,549,288	$ 264,094	$ 396,565	$ 2,209,947	$ 8,310,317	$ 10,520,264

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, 2020 and 2019

	2020	2019
Cash flows from operating activities:		
Change in net assets/members' equity	$ (1,741,824)	$ (125,648)
Adjustments to reconcile change in net assets/members' equity to net cash (used in) provided by operating activities:		
Depreciation and amortization	1,636,620	1,677,008
Amortization of deferred financing costs	14,025	14,025
Straight-line rent adjustment	65,398	(4,717)
Net unrealized and realized gains on investments	(291,283)	(853,209)
Change in fair value of interest rate swap contract	(201,981)	(104,369)
Donated securities	-	(529)
Proceeds from sale of donated securities	-	529
Provision for contributions receivable	-	3,000
Change in beneficial interest in perpetual trust	(4,492)	(5,493)
Changes in operating assets and liabilities:		
Contributions receivable	(395,320)	(161,517)
Other receivables	(277,145)	(66,228)
Prepaid expenses	54,079	(66,659)
Rent receivable	(301,848)	28,841
Accounts payable and accrued expenses	125,135	162,659
Accrued interest payable	94,620	90,621
Deferred revenue	20,102	61,869
Paycheck Protection Program liability	294,460	-
Tenant security deposits, net	(16,613)	(1,417)
Net cash (used in) provided by operating activities	(926,067)	648,766
Cash flows from investing activities:		
Purchase of investments	(3,894,914)	(2,748,179)
Proceeds from sale of investments	4,157,867	3,442,252
Acquisition of property and equipment	(172,645)	(154,856)
Deposits from buyer	400,500	-
Net cash provided by investing activities	490,808	539,217
Cash flows from financing activities:		
Proceeds from line of credit, net	317,837	-
Payments on mortgage notes payable	(337,308)	(421,462)
Net cash used in financing activities	(19,471)	(421,462)
Net change in cash and cash equivalents and restricted cash	(454,730)	766,521
Cash and cash equivalents and restricted cash, beginning of year	1,886,805	1,120,284
Cash and cash equivalents and restricted cash, end of year	$ 1,432,075	$ 1,886,805
Supplemental disclosure:		
Cash paid for interest	$ 933,068	$ 1,316,882

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. is owned 79% by the Organization and 21% by an unrelated third party. The Company is owned 0.01% by YWCA Clarendon, Inc. and 99.99% by an unrelated investor member. YWCA Clarendon, Inc. acts 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 is 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 are accounted for as noncontrolling interests in the consolidated financial statements.

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. The Organization holds the ground lease for the property, has 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 will make 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.

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 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 pledges receivable. Unconditional pledges receivable are recognized at the estimated net present value of such pledges, 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, 2020 and 2019, the Organization received $16,857 and $39,439, 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 (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.

- *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:

	2020	2019
Program revenue	$ 493,859	$ 114,153
Total revenue recognized over time	493,859	114,153
Program revenue	587,193	265,625
Tenant services and tenant charges	13,884	11,362
Interest income	2,834	10,234
Hotel room revenue	566,925	4,108,695
Hotel other revenue	43,603	1,289
Total revenue recognized at a point in time	1,214,439	4,397,205
Total revenues	$ 1,708,298	$ 4,511,358

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), change in beneficial interest in perpetual trust and change in fair value of interest rate swap contract.

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.

	2020	2019
Cash and cash equivalents	$ 1,026,699	$ 1,017,312
Tenant security deposits	172,841	176,675
Escrow deposits	232,535	642,818
Cash held for for endowment	-	50,000
	$ 1,432,075	$ 1,886,805

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

Operating reserve: Under the terms of the Company's operating agreement, the Company is required to fund an operating reserve in the amount of $880,000. The cash reserve at December 31, 2020 and 2019, was $503 and $191,766, respectively. A $700,000 letter of credit is 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 on the consolidated statements of financial position.

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, 2020 and 2019, 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, 2020 and 2019, amounted to $1,607,558 and $1,647,946, respectively, and is reported in depreciation and amortization expense and rental/hotel expenses 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, 2020 and 2019, 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, 2020 and 2019, 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 and $431,037 was utilized for operations for the years ended December 31, 2020 and 2019, and appropriated from the Board-designated endowment fund. In addition, the Board voted to appropriate an additional $50,000 and $440,000 from the Board-designated endowment fund to fund operations during the years ended December 31, 2020 and 2019, respectively. Therefore, a total of $454,892 and $871,037 was appropriated from the Board-designated endowment fund for the years ended December 31, 2020 and 2019, respectively. No amounts were appropriated from the donor-restricted endowment fund for the years ended December 31, 2020 or 2019.

Deferred financing costs: Deferred financing costs are 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 and 2019. Accumulated amortization totaled $203,947 and $189,922 at December 31, 2020 and 2019, respectively. Amortization expense for each of the years ended December 31, 2020 and 2019, amounted to $14,025.

Deferred leasing costs: Deferred leasing costs are being amortized over the life of commercial leases using the straight-line method. Deferred leasing costs at December 31, 2020 and 2019, were $241,065. Accumulated amortization as of December 31, 2020 and 2019, was $150,576 and $121,514, respectively. Amortization expense for each of the years ended December 31, 2020 and 2019, amounted to $29,062.

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 are classified on the consolidated statements of financial position as fair value of interest rate swap contract and the change in the fair value is recorded on the consolidated statements of activities and reported as change in fair value of interest rate swap contract.

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 has 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 has 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.

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, 2020 and 2019, totaled $19,118 and $76,440, respectively.

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

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, 2020 and 2019. 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 2019 consolidated financial statements in order to conform to the 2020 presentation. The reclassifications did not result in a change in previously reported change in net assets.

Recently adopted accounting standards: In August 2018, the FASB issued ASU 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework – Changes in the Disclosure Requirement for Fair Value Measurement*. This ASU modifies the disclosure requirements for fair value measurements in addition to the removal of disclosures related to transfers between level 1 and level 2 of the fair value hierarchy, the policy for timing of transfers between levels, the valuation process of level 3 fair value measurements and a roll forward of level 3 investments. Furthermore, entities are no longer required to estimate and disclose the timing of liquidity events for investments measured at fair value. Instead, the requirement to disclose such events applies only when they have been communicated to the reporting entities by the investees or announced publicly. ASU 2018-13 became effective for the Organization on January 1, 2020. The adoption of the new standard did not have a material impact to the consolidated financial statements.

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

In March 2020, the FASB issued ASU 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting*. The ASU provides temporary optional guidance intended to ease the burden of reference rate reform on financial reporting. The ASU applies to all entities that have contracts, hedging relationships and other transactions that reference the London Interbank Offered Rate (LIBOR) or another reference rate that is expected to be discontinued. The ASU was effective upon its issuance on March 12, 2020. However, it cannot be applied to contract modifications that occur after December 31, 2022. The guidance provides optional expedients and exceptions for applying existing guidance to contract modifications, hedging relationships and other transactions that are expected to be affected by reference rate reform and meet certain scope guidance. This ASU was adopted during the year ended December 31, 2020, and did not have a material effect on the consolidated financial statements.

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.

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:

	2020	2019
Cash and cash equivalents	$ 1,026,699	$ 1,017,312
Cash held for endowment	-	50,000
Rent receivable	432,118	130,270
Contributions receivable, net	411,712	231,392
Other receivables	358,873	81,728
Non-endowment investments without donor restriction	607,498	520,117
Approved endowment appropriation under the spending policy	375,000	420,000
Additional approved board designated endowment appropriation	197,000	540,000
Total financial assets and liquidity resources available within one year	$ 3,408,900	$ 2,990,819

Additionally, not included as available is the Organization's board-designated endowment totaling $4,240,649 at December 31, 2020, its undrawn line of credit of $500,000, and its expected rental income under non-cancelable operating leases for the year ended December 31, 2020, of $888,633. 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. Related Party Transactions

YWCA Fina House, LLC was created by the YWCA of Greater Lawrence to develop 24 units of affordable housing in Lawrence, Massachusetts. During 2005, the Organization purchased a 21% interest in YWCA Fina House, Inc., the managing member of YWCA Fina House, LLC. During 2019, the Organization sold its entire interest in YWCA Fina House, Inc. to YWCA of Great Lawrence for $21.

Note 4. Capital Contributions

The Investor Member of the Company has 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 year ended December 31, 2020 and 2019, no distributions were made to the Investor Member. The remaining 0.01% is 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.

Note 5. 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:

	2020	2019
Less than one year	$ 414,287	$ 233,967
One to five years	215,000	-
Total	629,287	233,967
Less allowance for uncollectible contributions receivable	(2,575)	(2,575)
Contributions receivable, net	$ 626,712	$ 231,392

As of December 31, 2020, one donor accounted for 87% of the gross contributions receivable balance recorded. As of December 31, 2019, two donors accounted for 67% of the gross contributions receivable balance recorded.

Note 6. Property and Equipment

Property and equipment consist of the following at December 31:

	2020	2019
Land	$ 175,000	$ 175,000
Buildings and improvements	50,611,451	50,575,840
Equipment, furniture and fixtures	1,831,826	1,694,792
	52,618,277	52,445,632
Less accumulated depreciation	(26,557,069)	(24,949,511)
	$ 26,061,208	$ 27,496,121

Note 7. Investments

Investments consist of the following as of December 31:

	2020	2019
Cash equivalents	$ 486,560	$ 239,002
International equity mutual funds	2,208,150	2,824,002
Domestic equity mutual funds	4,208,611	3,811,987
	$ 6,903,321	$ 6,874,991

Note 8. 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.

Note 8. Beneficial Interest in Perpetual Trusts (Continued)

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 year ended December 31, 2020 and 2019, totaled $639 and $1,528 respectively, and is included within without donor restrictions contributions 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 $4,492 and $5,493 for the years ended December 31, 2020 and 2019, respectively.

Note 9. 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, 2020 and 2019, 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.

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.

Note 9. Fair Value Measurements (Continued)

International equity mutual funds and domestic equity mutual funds: The fair value of international equity mutual funds and domestic equity mutual funds 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 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:

	2020			
Description	Level 1	Level 2	Level 3	Total
Assets:				
Investments (Note 7):				
Cash equivalents	$ 486,560	$ -	$ -	$ 486,560
International equity mutual funds	2,208,150	-	-	2,208,150
Domestic equity mutual funds	4,208,611	-	-	4,208,611
Total investments	6,903,321	-	-	6,903,321
Beneficial Interest in perpetual trust (Note 8)	-	-	42,516	42,516
	$ 6,903,321	$ -	$ 42,516	$ 6,945,837
Liabilities:				
Interest rate swap contract (Note 12)	$ -	$ (917,043)	$ -	$ (917,043)

	2019			
Description	Level 1	Level 2	Level 3	Total
Assets:				
Investments (Note 7):				
Cash equivalents	$ 239,002	$ -	$ -	$ 239,002
International equity mutual funds	2,824,002	-	-	2,824,002
Domestic equity mutual funds	3,811,987	-	-	3,811,987
Total investments	6,874,991	-	-	6,874,991
Beneficial Interest in perpetual trust (Note 8)	-	-	38,024	38,024
	$ 6,874,991	$ -	$ 38,024	$ 6,913,015
Liabilities:				
Interest rate swap contract (Note 12)	$ -	$ (1,119,024)	$ -	$ (1,119,024)

Note 9. Fair Value Measurements (Continued)

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

	2020 Fair Value	2019 Fair Value	Valuation Technique	Unobservable Input	Range (Weighted Average)
Beneficial interest in trusts	$ 42,516	$ 38,024	Market approach based on underlying securities	None	N/A

There were no transfers out of Level 3 assets during the years ended December 31, 2020 and 2019.

Note 10. Notes Payable

DHCD: The Department of Housing and Community Development (DHCD) has provided financing to the Company in the form of a $750,000 HOME Loan. This note bears interest at the greater of 5.12% or the Applicable Federal Rate (AFR). As of December 31, 2020 and 2019, the interest rate was 5.12%. Interest began accruing on the date of the first draw and compounds annually. All interest and principal is due on the maturity date, December 2033. As of December 31, 2020 and 2019, $750,000 has been drawn against the note, and $936,074 and $853,952 of interest has been accrued, respectively. Interest expense totaled $82,122 and $78,122 for the years ending December 31, 2020 and 2019, respectively. This note is secured by all business assets of the Company.

CEDAC: The Community Economic Development Assistance Corporation (CEDAC) has provided financing to the Company in the form of a $750,000 HIF Loan. As of December 31, 2020 and 2019, $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 are due annually to the extent Gross Cash Receipts exceeds 105% of Gross Cash Expenditures, as those terms are defined. Unpaid principal and interest accrued is due on the maturity date, December 2033. As of December 31, 2020 and 2019, $39,733 of interest has been accrued for years prior to the 2007 amendment. This note is secured by all business assets of the Company.

DND: The City of Boston Department of Neighborhood Development (DND) has provided additional financing to the Company through two loans in the amounts of $1,000,000 and $250,000. As of December 31, 2020 and 2019, $1,250,000 has been drawn against the notes. These notes bear simple interest at 1% per annum. Interest began accruing on the date of the first draw and totaled $203,547 and $191,047, respectively, as of December 31, 2020 and 2019. Unpaid principal and interest is due on the maturity date, August 2036. Interest expense totaled $12,500 for each of the years ended December 31, 2020 and 2019. This note is secured by all business assets of the Company. Principal and interest payments on all of the above notes payable are subject to available cash flow from the Company's operations or are deferred until maturity.

Note 10. Notes Payable (Continued)

Future maturities of notes payable are as follows for the years ending December 31:

2021	$ -
2022	-
2023	-
2024	-
2025	-
Thereafter	2,750,000
	$ 2,750,000

Note 11. Mortgage Notes Payable

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

The first note, in the amount of $9,000,000, bears a 6.95% annual interest rate. Payments of principal and interest are due monthly, and began in June 2006. Payments based on a 30-year amortization schedule of principal and interest are due through June 2022, at which time a balloon payment will be due.

The second note, in an amount of $5,775,000, bears interest at the one month LIBOR rate plus 175 basis points (1.90% and 3.50% at December 31, 2020 and 2019, respectively) 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 are due through June 2022, at which time a balloon payment will be due.

The third note, also in an amount of $5,775,000, bears interest at the one month LIBOR rate plus 175 basis points (1.90% and 3.50% at December 31, 2020 and 2019, respectively) 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 are due through June 2022, at which time a balloon payment will be due.

The notes are payable in monthly installments of approximately $140,921 for principal and interest. The notes also require monthly deposits to the reserve for replacement in the amount of $12,342 ($11,754 during the year ended December 31, 2019). In addition, monthly deposits of $43,167 ($41,940 during the year ended December 31, 2019) were made to escrow real estate taxes and sewer and water charges.

Under the amended terms of the permanent financing with MHP, the Company is 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 is tested from time to time at lenders' discretion at the Company's cost. During 2020, the Company had not met the required debt coverage ratios and the loan to value ratio, and is operating under a forbearance agreement, which provides a waiver of all financial covenants until August 2021. During 2019, the Company met the required debt coverage ratios and the loan to value ratio. Th Company is 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 and 2019, principal of $16,497,359 and $16,834,847, respectively, remains unpaid. Interest expense for 2020 and 2019, was $1,238,096 and $1,285,673, respectively, of which $375,697 and $69,906, respectively, is accrued at year-end.

The Organization is under no obligation to make debt payments on behalf of the Company, should the Company be unable to fulfill its obligations under the mortgage note agreements.

Note 11. Mortgage Notes Payable (Continued)

Future maturities of mortgages payable are as follows for the years ending December 31:

	Long-Term Debt	Deferred Financing Costs	Net
2021	$ 489,041	$ (14,025)	$ 475,016
2022	16,008,498	(6,426)	16,002,072
	$ 16,497,539	$ (20,451)	$ 16,477,088

Note 12. Interest Rate Swap Contract

The Company has entered into an Interest Rate Swap (SWAP) agreement to reduce the impact of interest rate fluctuations on its variable rate borrowings. The SWAP is not held for trading or other speculative purposes, became effective as of December 19, 2003, and matures on June 18, 2022. The value of the swap instrument represents the estimated cost to the Company to cancel the agreement at the reporting date, which is based on pricing models that consider risks and market factors.

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 is management's intent to hold all derivative agreements to term or pay off derivative agreements from the sale of the building.

The Company has 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 is utilized to manage interest rate exposure. The differential to be paid or received on the swap agreement is accrued as interest rates change and is recognized over the life of the agreement in interest expense. The notional amount is $9,644,650 and $9,808,061 as of December 31, 2020 and 2019, respectively.

Fair Value of Derivative Instruments not Designated as Hedging Instruments
on the Consolidated Statements of Financial Position as of December 31, 2020 and 2019

Derivative	Statement of Financial Position Location	Fair Value 2020	Statements of Financial Position Location	Fair Value 2019
Interest rate contract	Long-term liabilities	$ 917,043	Long-term liabilities	$ 1,119,024

Note 12. Interest Rate Swap Contract (Continued)

The Effect of Derivative Instruments on the Consolidated Statements of Activities
for the Years Ended December 31, 2020 and 2019

Derivative	Location of Gain Recognized in Non-Operating Income Without Donor Restrictions	Amount of Gain Recognized in Non-Operating Income Without Donor Restrictions	
		2020	2019
Interest rate swap contract	Change in fair value of interest rate swap contract	$ 201,981	$ 104,369

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, 2020 and 2019.

The Company has a $500,000 line of credit agreement with a bank that bears interest at 4% expiring on December 31, 2071. The line is secured by all business assets. The Company incurred $763 of interest expense on the line of credit during the year ended December 31, 2020. No interest was incurred during the year ended December 31, 2019. The outstanding balance at December 31, 2020 was $317,837. No amounts were outstanding at December 31, 2019.

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, matures on April 17, 2022 and bears 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. The Organization is accounting for the PPP loan as a conditional advance and will recognize revenue when certain barriers have been met.

Note 15. Operating Leases

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 $6,489 and $5,761, respectively, for the years ended December 31, 2020 and 2019.

Note 15. Operating Leases (Continued)

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:

2021	$	4,487
2022		4,487
2023		748
	$	9,722

Note 16. Rental Income

The Company leases space to commercial tenants for various lengths of time through 2026. These leases provide for specific monthly payments plus reimbursement for certain operating costs. Additionally, many of these leases call for renewal at the option of the lessee. For the years ended December 31, 2020 and 2019, revenue related to these leases totaled $1,288,971 and $1,151,187, respectively.

The following is a summary of minimum future rentals under non-cancelable operating leases for the years ending December 31:

2021	$	888,633
2022		585,435
2023		466,263
2024		239,472
2025		244,219
Thereafter		128,973
	$	2,552,995

Three tenants represented greater than 10% of total commercial rental revenue and 52% and 67% in the aggregate, respectively, for the years ended December 31, 2020 and 2019.

	A	B	C
Lease expiration date	2/28/2022	6/30/2021	12/31/2023
Percent of rental income	15%	24%	13%
Percent of future rental income	0%	7%	21%
Termination options	None	None	None
Extension options	1	2	1

The Company also leases residential units through short-term lease agreements. For the years ending December 31, 2020 and 2019, revenue related to these leases totaled $1,868,415 and $2,061,466, respectively.

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, 2020 and 2019, 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 $23,796 and $26,562, respectively, for the years ended December 31, 2020 and 2019. 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:

	2020	2019
Subject to appropriation and expenditure when a specific event occurs:		
Program activities	$ 70,000	$ 70,000
Subject to the passage of time:		
Grants and contributions receivable	1,051,059	531,059
Subject to Organization spending policy and appropriation:		
Investments in perpetuity (including original gifts totaling $1,748,855 and $1,703,260 as of December 2020 and 2019) and the investment income from which is expendable to support:		
Operations	2,055,174	1,933,380
Not subject to spending policy or appropriations:		
Beneficial interest in perpetual trust	42,516	38,024
Total net assets with donor restrictions	$ 3,218,749	$ 2,572,463

The Organization's Board of Directors has designated $4,240,649 and $4,421,494 of net assets without donor restrictions for the purposes of endowment as of December 31, 2020 and 2019, respectively.

Note 18. Net Assets (Continued)

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:

	2020	2019
Release of purpose and time restrictions:		
Contributions receivable/time restrictions	$ 75,000	$ 50,000
Program activities	70,000	90,000
	$ 145,000	$ 140,000

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:

	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

	2019		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment fund	$ -	$ 1,933,380	$ 1,933,380
Board-designated endowment fund	4,421,494	-	4,421,494
	$ 4,421,494	$ 1,933,380	$ 6,354,874

Note 19. Endowment Net Assets (Continued)

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

	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

	2019		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	$ 4,554,391	$ 1,670,861	$ 6,225,252
Investment income, net	738,140	262,519	1,000,659
Appropriation of endowment assets for expenditures	(871,037)	-	(871,037)
Endowment net assets, end of year	$ 4,421,494	$ 1,933,380	$ 6,354,874

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, 2020 and 2019, 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.

The Company has entered into an Option to Purchase Real Estate Agreement for the sale of the building. The sale is expected to close in fall 2021. In the event the sale does not close, the Organization is under no obligation to make debt payments on behalf of the Company, should the Company be unable to fulfill its obligations under the mortgage note agreements.

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:

	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)	(126,225)	126,286	201,703	(16,960)	184,804
Balance at end of year	$ 14,645,586	$ 3,218,749	$ (2,542,422)	$ (2,477,169)	$ 12,844,744

	2019				
	Without Donor Restrictions	With Donor Restrictions	Non-controlling Interest	Eliminations	Total
Balance at beginning of year	$ 14,059,404	$ 2,297,451	$ 847,633	$ (2,492,272)	$ 14,712,216
Change in net assets:					
Operating revenues and support	2,666,312	7,000	-	(241,419)	2,431,893
Operating expenses	(2,330,013)	-	-	120,066	(2,209,947)
Rental/hotel income	-	-	7,764,849	(120,066)	7,644,783
Rental/hotel expenses	(90,459)	-	(8,478,456)	258,598	(8,310,317)
Non-operating revenues (losses)	(37,444)	268,012	104,429	(17,057)	317,940
Balance at end of year	$ 14,267,800	$ 2,572,463	$ 238,455	$ (2,492,150)	$ 14,586,568

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 has experienced negative impacts to revenue resulting from the closure of its hotel in March 2020.

Note 24. Subsequent Events

In February 2021, the Company elected to permanently close the hotel.

The Organization evaluated subsequent events through July 1, 2021, when the consolidated financial statements were available to be issued.

RSM

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 as of and for the years ended December 31, 2020 and 2019, and have issued our report thereon, dated July 1, 2021, which contained an unmodified opinion on those consolidated financial statements. Our audits were performed for the purpose of forming an opinion on the consolidated financial statements as a whole. We have not performed any procedures with respect to the audited consolidated financial statements subsequent to July 1, 2021.

The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the consolidated 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 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 1, 2021

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

Consolidating Statement of Financial Position
December 31, 2020

	YWCA Boston, Inc.	Clarendon Residences, LLC	YWCA Clarendon, Inc.	Consolidated Totals Before Eliminations	Elimination	Consolidated Totals
Assets						
Current assets:						
Cash and equivalents	$ 794,697	$ 232,002	$ -	$ 1,026,699	$ -	$ 1,026,699
Rent receivable	-	432,118	-	432,118	-	432,118
Related party receivables	72,653	-	-	72,653	(72,653)	-
Current portion of contributions receivable, net	411,712	-	-	411,712	-	411,712
Other receivables	358,873	-	-	358,873	-	358,873
Prepaid expenses	7,000	56,974	-	63,974	-	63,974
Tenant security deposits	-	172,841	-	172,841	-	172,841
Escrow deposits	-	232,535	-	232,535	-	232,535
Total current assets	1,644,935	1,126,470	-	2,771,405	(72,653)	2,698,752
Property and equipment, net	175,000	25,886,208	-	26,061,208	-	26,061,208
Other assets:						
Contributions receivable, net of current portion	215,000	-	-	215,000	-	215,000
Investments	6,903,321	-	-	6,903,321	-	6,903,321
Investment in affiliates	1,245,797	-	1,245,797	2,491,594	(2,491,594)	-
Sponsor notes and accrued interest receivable	3,745,070	-	-	3,745,070	(3,745,070)	-
Development fee receivable	1,653,438	-	-	1,653,438	(1,653,438)	-
Ground lease and accrued interest receivable	311,620	-	-	311,620	(311,620)	-
Management fee receivable	5,449	-	-	5,449	(5,449)	-
Deferred rent	-	131,247	-	131,247	-	131,247
Deferred costs, net	-	90,489	-	90,489	-	90,489
Beneficial interest in perpetual trust	42,516	-	-	42,516	-	42,516
Total other assets	14,122,211	221,736	1,245,797	15,589,744	(8,207,171)	7,382,573
Total assets	$ 15,942,146	$ 27,234,414	$ 1,245,797	$ 44,422,357	$ (8,279,824)	$ 36,142,533

(Continued)

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

Consolidating Statement of Financial Position (Continued)
December 31, 2020

	YWCA Boston, Inc.	Clarendon Residences, LLC	YWCA Clarendon, Inc.	Consolidated Totals Before Eliminations	Elimination	Consolidated Totals
Liabilities and Net Assets/Members' Equity						
Current liabilities:						
Mortgage notes payable - current portion, net of deferred financing costs	$ -	$ 475,016	$ -	$ 475,016	$ -	$ 475,016
Accounts payable and accrued expenses	187,838	565,994	-	753,832	-	753,832
Related party liability	-	77,273	-	77,273	(77,273)	-
Deferred revenue	85,163	30,080	-	115,243	-	115,243
Paycheck Protection Program liability	294,460	-	-	294,460	-	294,460
Deposits from buyer	-	400,500	-	400,500	-	400,500
Tenant security deposits	2,500	89,933	-	92,433	-	92,433
Total current liabilities	569,961	1,638,796	-	2,208,757	(77,273)	2,131,484
Long-term liabilities:						
Notes payable	-	2,750,000	-	2,750,000	-	2,750,000
Line of credit	-	317,837	-	317,837	-	317,837
Mortgage notes payable, net of current portion and deferred financing costs	-	16,002,072	-	16,002,072	-	16,002,072
Sponsor note and accrued interest payable	-	3,745,070	-	3,745,070	(3,745,070)	-
Development fee payable	-	1,653,438	-	1,653,438	(1,653,438)	-
Ground lease and accrued interest payable	-	311,620	-	311,620	(311,620)	-
Management fee payable	-	15,254	-	15,254	(15,254)	-
Accrued interest payable	-	1,179,353	-	1,179,353	-	1,179,353
Fair value interest rate swap contract	-	917,043	-	917,043	-	917,043
Total long-term liabilities	-	26,891,687	-	26,891,687	(5,725,382)	21,166,305
Total liabilities	569,961	28,530,483	-	29,100,444	(5,802,655)	23,297,789
Net assets/members' equity:						
Without donor restrictions/members' equity:	12,153,436	1,245,797	1,245,797	14,645,030	(2,477,169)	12,167,861
With donor restrictions	3,218,749	-	-	3,218,749	-	3,218,749
Noncontrolling interest	-	(2,541,866)	-	(2,541,866)	-	(2,541,866)
Total net assets/members' equity	15,372,185	(1,296,069)	1,245,797	15,321,913	(2,477,169)	12,844,744
Total liabilities and net assets/members' equity	$ 15,942,146	$ 27,234,414	$ 1,245,797	$ 44,422,357	$ (8,279,824)	$ 36,142,533

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

Consolidating Statement of Activities
Year Ended December 31, 2020

	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	$ 492,160	$ 665,000	$ 1,157,160	$ -	$ -	$ -	$ 492,160	$ 665,000	$ 1,157,160
Individuals' contributions	365,395	-	365,395	-	-	-	365,395	-	365,395
State contributions	69,577	-	69,577	-	-	-	69,577	-	69,577
United Way revenue	18,240	-	18,240	-	-	-	18,240	-	18,240
Special events revenue (net of expenses of $3,653)	249,145	-	249,145	-	-	-	249,145	-	249,145
Donated services	16,857	-	16,857	-	-	-	16,857	-	16,857
Program revenue	1,081,052	-	1,081,052	-	-	-	1,081,052	-	1,081,052
Investment return designated for operations	454,892	-	454,892	-	-	-	454,892	-	454,892
Rental activities: ground lease and management fee income	190,763	-	190,763	-	-	(190,763)	-	-	-
Net assets released from restrictions	145,000	(145,000)	-	-	-	-	145,000	(145,000)	-
Total operating revenues and support	3,083,081	520,000	3,603,081	-	-	(190,763)	2,892,318	520,000	3,412,318
Expenses:									
Program	1,926,609	-	1,926,609	-	-	(94,783)	1,831,826	-	1,831,826
Management, general and administrative	237,724	-	237,724	-	-	(15,481)	222,243	-	222,243
Fundraising	311,103	-	311,103	-	-	(11,302)	299,801	-	299,801
Total expenses	2,475,436	-	2,475,436	-	-	(121,566)	2,353,870	-	2,353,870
Operating gain before net rental activities	607,645	520,000	1,127,645	-	-	(69,197)	538,448	520,000	1,058,448
Rental/hotel activities:									
Rental/hotel income	-	-	-	3,829,964	-	(121,566)	3,708,398	-	3,708,398
Rental/hotel expense	(103,634)	-	(103,634)	(6,812,544)	-	222,704	(6,693,474)	-	(6,693,474)
Net rental activities	(103,634)	-	(103,634)	(2,982,580)	-	101,138	(2,985,076)	-	(2,985,076)
Operating gain (loss)	504,011	520,000	1,024,011	(2,982,580)	-	31,941	(2,446,628)	520,000	(1,926,628)
Non-operating revenues (losses):									
Net non-endowment investment return	37,382	-	37,382	-	-	-	37,382	-	37,382
Net endowment investment return	273,768	121,794	395,562	-	(278)	557	274,047	121,794	395,841
Investment return designated for operations	(454,892)	-	(454,892)	-	-	-	(454,892)	-	(454,892)
Change in beneficial interest in perpetual trust	-	4,492	4,492	-	-	-	-	4,492	4,492
Change in fair value on interest rate swap contract	-	-	-	201,981	-	-	201,981	-	201,981
Interest on related party receivables	17,517	-	17,517	-	-	(17,517)	-	-	-
Total non-operating revenues (losses)	(126,225)	126,286	61	201,981	(278)	(16,960)	58,518	126,286	184,804
Change in net assets/members' equity	377,786	646,286	1,024,072	(2,780,599)	(278)	14,981	(2,388,110)	646,286	(1,741,824)
Net assets/members' equity at beginning of year	11,775,650	2,572,463	14,348,113	1,484,530	1,246,075	(2,492,150)	12,014,105	2,572,463	14,586,568
Net assets/members' equity at end 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