

**YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF MINOT
MINOT, NORTH DAKOTA**

AUDITED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Young Women's Christian Association of Minot
Minot, North Dakota

We have audited the accompanying financial statements of Young Women's Christian Association of Minot (a nonprofit organization) which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities and changes in net assets, functional expenses, and cash flows, for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, 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 Young Women's Christian Association of Minot as of December 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Notes 17 and 18 to the financial statements, certain errors were discovered relating to the balance of beneficial interest in assets held by others not being properly recorded. Accordingly, such amounts have been restated as an adjustment made to beneficial interest in assets held by others and net assets with donor restrictions as of December 31, 2019 and a prior period adjustment was made to net assets with donor restrictions as of December 31, 2018 to correct the errors. Our opinion is not modified with respect to these errors.



BRADY, MARTZ & ASSOCIATES, P.C.
MINOT, NORTH DAKOTA

December 6, 2021

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF MINOT
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2020 AND 2019

ASSETS

	2020	2019 (Restated)
Current assets		
Cash and cash equivalents	\$ 186,539	\$ 282,614
Restricted cash	-	8,500
Grants receivable	25,000	49,778
Accounts receivable	400	200
Contributions receivable	22,675	-
Trust receivable	7,000	-
Prepaid expenses	4,918	1,922
Total current assets	246,532	343,014
Investments	2,400	2,369
Property and equipment (net)	1,291,999	911,396
Other assets		
Loan fees (net of accumulated amortization)	496	641
Beneficial interest in assets held by others	15,296	13,598
Capital credits	8,902	8,149
Total other assets	24,694	22,388
Total assets	\$ 1,565,625	\$ 1,279,167

LIABILITIES AND NET ASSETS

Current liabilities		
Accounts payable	\$ -	\$ 1,402
Accrued interest payable	817	928
Accrued salaries	-	3,065
Accrued vacation	1,161	448
Credit card payable	2,395	697
Payroll tax liabilities	114	20
Security deposits payable	-	350
Sales tax payable	-	158
PPP loan	18,300	-
Current portion of long-term notes payable	25,291	24,008
Total current liabilities	48,078	31,076
Long-term liabilities		
Note payable (net of current portion)	595,642	620,865
Total liabilities	643,720	651,941
Net assets		
Without donor restrictions	906,609	605,128
With donor restrictions	15,296	22,098
Total net assets	921,905	627,226
Total liabilities and net assets	\$ 1,565,625	\$ 1,279,167

See Notes to the Financial Statements

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF MINOT
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Without Donor Restrictions	Donor Restricted	Total
Revenues and other support			
In-kind revenue	\$ 323,512	\$ -	\$ 323,512
Fundraising events	90,933	-	90,933
Rental revenue	1,413	-	1,413
Trust revenue	7,000	-	7,000
Interest and dividend income	781	-	781
Grant income:			
Emergency Shelter	180,336	-	180,336
Diaper Pantry	2,000	-	2,000
General & Administrative	2,000	-	2,000
Fundraising	27,250	-	27,250
Unrealized gain on investments	31	-	31
Increase in beneficial interest in assets held by others	-	1,698	1,698
Total revenues and other support	<u>635,256</u>	<u>1,698</u>	<u>636,954</u>
Expenses			
General and administration	41,690	-	41,690
Fundraising events	29,928	-	29,928
Program services	270,658	-	270,658
Total expenses	<u>342,275</u>	<u>-</u>	<u>342,275</u>
Net assets released from restriction	<u>8,500</u>	<u>(8,500)</u>	<u>-</u>
Change in net assets	301,481	(6,802)	294,679
Net assets at beginning of year	<u>605,128</u>	<u>22,098</u>	<u>627,226</u>
Net assets at end of year	<u>\$ 906,609</u>	<u>\$ 15,296</u>	<u>\$ 921,905</u>

See Notes to the Financial Statements

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF MINOT
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS (RESTATED)
FOR THE YEAR ENDED DECEMBER 31, 2019

	Without Donor Restrictions	Donor Restricted	Total
Revenues and other support			
In-kind revenue	\$ 47,560	\$ 8,500	\$ 56,060
Fundraising events	23,759	-	23,759
Rental revenue	19,916	-	19,916
Trust revenue	7,210	-	7,210
Interest and dividend income	84	-	84
Grant income:			
Emergency Shelter	36,188	-	36,188
Supportive Housing	22,295	-	22,295
General & Administrative	140,000	-	140,000
Fundraising	104,427	-	104,427
Gain from insurance claims	2,315	-	2,315
Miscellaneous income	1,125	-	1,125
Unrealized gain on investments	492	-	492
Increase in beneficial interest in assets held by others	-	1,862	1,862
Total revenues and other support	<u>405,371</u>	<u>10,362</u>	<u>415,733</u>
Expenses			
General and administration	39,289	-	39,289
Fundraising events	44,698	-	44,698
Program services	226,912	-	226,912
Total expenses	<u>310,899</u>	<u>-</u>	<u>310,899</u>
Change in net assets	94,472	10,362	104,834
Net assets at beginning of year - as previously stated	<u>510,656</u>	<u>215,201</u>	<u>725,857</u>
Prior period adjustment - Note 18	<u>-</u>	<u>(203,465)</u>	<u>(203,465)</u>
Net assets at beginning of year - restated	510,656	11,736	522,392
Change in net assets	<u>94,472</u>	<u>10,362</u>	<u>104,834</u>
Net assets at end of year	<u>\$ 605,128</u>	<u>\$ 22,098</u>	<u>\$ 627,226</u>

See Notes to the Financial Statements

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF MINOT
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020

	Program Services				Fundraising Events	General and Administrative	Total Expenses
	Emergency Shelter	Diaper Pantry	Supportive Housing	Total			
Salaries	\$ 14,386	\$ 14,386	\$ 14,386	\$ 43,158	\$ 21,579	\$ 7,193	\$ 71,930
Employee benefits	1,560	1,560	1,560	4,680	2,340	780	7,800
Payroll taxes	1,218	1,218	1,218	3,655	1,827	609	6,091
Food	-	-	3,772	3,772	-	24	3,796
Supplies	13	6,869	40,042	46,924	359	3,302	50,585
Travel and training	42,348	116	-	42,464	-	371	42,835
Bank service charges and penalties	-	-	-	-	-	268	268
Dues and memberships	-	-	-	-	-	1,574	1,574
Professional fees	-	-	-	-	-	19,666	19,666
Insurance	8,591	-	786	9,377	-	694	10,071
Repairs and maintenance	11,417	-	28	11,445	-	26	11,471
Utilities	8,320	8,320	8,320	24,961	-	1,314	26,275
Telephone	1,482	-	1,482	2,964	165	165	3,293
Depreciation	30,696	-	2,791	33,487	-	-	33,487
Amortization	133	-	12	145	-	-	145
Advertising and promotion	-	-	-	-	-	652	652
Rent and lease expense	400	-	-	400	-	-	400
Interest expense	28,166	-	2,662	30,828	-	-	30,828
Grant expenses	12,390	-	-	12,390	-	53	12,443
Fundraising expense	8	-	-	8	3,570	1	3,579
Administrative expense	-	-	-	-	-	3,816	3,816
Miscellaneous expense	-	-	-	-	88	1,182	1,270
Total expenses	\$ 161,128	\$ 32,470	\$ 77,059	\$ 270,658	\$ 29,928	\$ 41,690	\$ 342,275

See Notes to the Financial Statements

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF MINOT
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019

	Program Services			Fundraising Events	General and Administrative	Total Expenses
	Emergency Shelter	Supportive Housing	Total			
Salaries	\$ 25,643	\$ 25,643	\$ 51,285	\$ 25,643	\$ 8,548	\$ 85,475
Employee benefits	-	-	-	-	539	539
Payroll taxes	2,162	2,162	4,325	2,162	721	7,208
Food	1,740	1,718	3,458	-	-	3,458
Supplies	26,791	26,390	53,181	-	3,181	56,362
Travel and training	-	-	-	-	2,142	2,142
Bank service charges and penalties	-	-	-	-	335	335
Dues and memberships	-	-	-	-	4,003	4,003
Professional fees	-	-	-	-	13,121	13,121
Insurance	5,338	5,338	10,676	-	1,277	11,953
Repairs and maintenance	2,722	2,317	5,039	-	2,550	7,589
Utilities	10,516	10,516	21,032	-	1,107	22,139
Telephone	1,447	1,447	2,894	161	161	3,216
Depreciation	17,181	17,181	34,362	-	-	34,362
Amortization	73	73	146	-	-	146
Advertising and promotion	-	-	-	-	584	584
Rent and lease expense	350	-	350	-	-	350
Interest expense	15,979	15,979	31,958	-	-	31,958
Bad debt expense	-	-	-	-	660	660
Grant expenses	8,173	10	8,183	-	25	8,208
Fundraising expense	-	23	23	16,732	-	16,755
Miscellaneous expense	-	-	-	-	336	336
Total expenses	\$ 118,115	\$ 108,797	\$ 226,912	\$ 44,698	\$ 39,289	\$ 310,899

See Notes to the Financial Statements

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF MINOT
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019 (Restated)</u>
Cash flows from operating activities		
Change in net assets	\$ 294,679	\$ 161,833
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
In-kind property contributions	(275,000)	-
Depreciation expense	33,487	34,362
Amortization expense	145	146
Capital credits	(753)	116
Net decrease (increase) in beneficial interest in assets held by others	(1,698)	(55,191)
Effects on operating cash flows due to changes in:		
Grants receivable	24,778	(305)
Accounts receivable	(200)	(28)
Contributions receivable	(22,675)	-
Trust receivable	(7,000)	-
Marketable equity securities	(31)	(492)
Prepaid expenses	(2,996)	977
Accounts payable	(1,402)	(5,532)
Accrued interest payable	(111)	(33)
Accrued salaries	(3,065)	(1,482)
Accrued vacation	713	(1,198)
Security deposits payable	(350)	(1,325)
Credit cards payable	1,698	(513)
Sales tax payable	(158)	(81)
Payroll tax liabilities	94	(39)
Cash provided by operating activities	<u>40,155</u>	<u>131,215</u>
Cash flows from investing activities		
Purchase of property and equipment	(139,090)	-
Cash used by investing activities	<u>(139,090)</u>	<u>-</u>
Cash flows from financing activities		
PPP loan proceeds	18,300	-
Principal payments on long-term notes payable	(23,940)	(22,890)
Cash used by financing activities	<u>(5,640)</u>	<u>(22,890)</u>
Net increase in cash and cash equivalents	(104,575)	108,325
Cash and cash equivalents at beginning of year	<u>291,114</u>	<u>182,789</u>
Cash and cash equivalents at end of year	<u>\$ 186,539</u>	<u>\$ 291,114</u>
Cash paid during the year for interest	<u>\$ 30,939</u>	<u>\$ 31,991</u>
Cash and cash equivalents	\$ 186,539	\$ 282,614
Restricted cash	-	8,500
Total cash and cash equivalents	<u>\$ 186,539</u>	<u>\$ 291,114</u>

See Notes to the Financial Statements

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF MINOT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 1 NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principal Business Activity

The Young Women's Christian Association of Minot was incorporated as a non-profit organization under the provisions of the North Dakota Non-profit Corporation Act. The YWCA's primary focus is to empower women and girls and to eliminate racism, by creating opportunities for women's growth, leadership and power in order to attain a common vision of peace, justice, freedom, and dignity for all people. The Association provides emergency shelter for girls and women of all ages and their children and supportive housing for homeless women who have a disability. The Association's primary sources of revenue are grants, fundraisers, rents, and donations.

Basis of Accounting

The financial statements of the Association have been prepared on the accrual basis.

Basis of Presentation

The accompanying financial statements are presented in accordance with accounting principles generally accepted in the United States of America, ("GAAP"), as codified by the Financial Accounting Standards Board. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions.

Fund Accounting

To ensure observance of limitations and restrictions placed on the use of resources available to the Association, the accounts of the Association are maintained in accordance with the principles of fund accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purposes. Separate accounts are maintained for each fund; however, in the accompanying financial statements, funds that have similar characteristics have been combined into fund groups. Accordingly, all financial transactions have been recorded and reported by fund group.

The assets, liabilities and net assets of the Association are reported in two self-balancing fund types as follows:

Net assets without donor restrictions, which include unrestricted resources and are subject to self-imposed limits by action of the governing board. Board-designated net assets may be earmarked for future programs, investment, contingencies, purchase or construction of fixed assets, or other uses. The governing board may delegate designation decisions to internal management. Such designations are considered to be included in board-designated net assets.

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF MINOT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2020 AND 2019

Net assets with donor restrictions represent net assets resulting from contributions and other inflows of assets whose use by the organization is limited by donor-imposed stipulations. Some donor-imposed restrictions are temporary in nature, stipulating that resources be used after a specified date, for particular programs or services, or to acquire buildings or equipment. Other donors impose restrictions that are perpetual in nature, stipulating that resources be maintained in perpetuity. Laws may extend those limits to investment returns from those resources and to other enhancements (diminishments) of those resources. Thus, those laws extend donor-imposed restrictions.

Fair value

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, Fair Value Measurements and Disclosures, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

LEVEL 1 – Inputs to value investments are based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

LEVEL 2 – Inputs are other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly through corroboration with observable market data.

LEVEL 3 – Inputs are unobservable. Inputs reflect the reporting entity's own assumptions about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk) developed based on the best information available under the circumstances.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value:

Beneficial Interest – Valued at fair value of fund investments as reported by the community foundation.

Marketable securities – Valued at the quoted prices for identical or similar assets or liabilities in inactive markets.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Association 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 fair value measurement at the reporting date.

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF MINOT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2020 AND 2019

Contributions

In accordance with professional standards, contributions received are recorded as with, or without, donor restricted support depending on the existence and/or nature of any donor restrictions.

Cash and Cash Equivalents

The Association considers all cash deposits and temporary cash investments with maturity of three months or less, when purchased, to be cash and cash equivalents.

Grant Receivable

These are carried at original invoice amount less a reserve estimate made for doubtful accounts. Management determines the allowance for doubtful accounts by identifying troubled accounts, using historical experience applied to an aging of accounts. Management has determined that no allowance for doubtful accounts is necessary. Grant receivable is written off when deemed to be uncollectible. Recovery of grant receivable previously written off is recorded when received.

Contributions Receivable

Contributions receivable consists of individual contributions that were made to the Association during the St. Joseph's Community Health Foundation Twice Blessed campaign. These contributions were received shortly after year end.

Trust Receivable

Trust receivable consists of the 7 percent annual required distribution from the Eck Foundation.

Investments

Investments in marketable securities with readily determinable fair values are valued at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets.

Property and Equipment

Property and equipment are stated at cost or fair market value when received as a gift. Additions, renewals and betterments are capitalized, whereas expenditures for maintenance and repairs are charged to expense. Depreciation is computed using the straight-line method over the following estimated useful lives:

Buildings and improvements	10-40 years
Furniture and equipment	5-10 years

The Association considers purchases over \$500 for capitalization.

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF MINOT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2020 AND 2019

Beneficial Interest

Beneficial interest in assets held by others consists of a fund established with the Minot Area Community Foundation. Beneficial interest in assets held by others is stated at the fair value of the underlying marketable securities in the Statement of Financial Position. Distributions and changes in fair value are recognized in the Statement of Activities.

The YWCA and Minot Area Community Foundation (the Foundation) understand that the bylaws of the Foundation and applicable tax laws require that the Board of Directors of the Foundation have variance powers over the assets donated to the YWCA of Minot Foundation Funds (the Funds). The Foundation retains the power to modify any restriction or condition on any distributions from the Funds for any specified charitable purpose or to specified organizations if, it is the sole judgment of the Foundation, such restriction or condition becomes, in effect, unnecessarily incapable of fulfillment, or inconsistent with the charitable needs of the community of the area which the Foundation serves. It is agreed that no restrictions or conditions may be imposed upon the administration of the Funds which will prevent the Foundation from freely and effectively employing the transferred assets or income there from and furtherance of its exempt status. The Foundation also retains the power, in the Foundation's sole discretion, to modify or withhold any distribution of principal if such distribution would otherwise fail to qualify for charitable purposes as defined in Section 170(c) of the Internal Revenue Code.

Debt Issuance Costs

Unamortized debt issuance costs are being deferred over the term of the loan on a straight-line basis.

In-Kind Contributions

Contributed goods and supplies are recorded at their estimated fair value at the date of donation. The Association reports nonmonetary contributions as unrestricted revenue in the accompanying Statement of Activities and Changes in Net Assets.

Functional Allocation of Expenses

The cost of providing various programs and other activities has been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited based upon budget estimates made by the Association's management.

Advertising Cost

Advertising costs are expensed as incurred.

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF MINOT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2020 AND 2019

Income Taxes

The Young Women's Christian Association of Minot is exempt from payment of federal income taxes under Section 501(c)(3) of the Internal Revenue Code, and thereby is also exempt from payment of state income taxes. The Association has been classified as a publicly-supported organization, which is not a private foundation under Section 509(a) of the code.

Under professional standards, the Association's policy is to evaluate the likelihood that its uncertain tax positions will prevail upon examination based on the extent to which those positions have substantial support within the Internal Revenue Code and Regulations, Revenue Rulings, court decisions, and other evidence.

Use of Estimates

The preparation of financial statements in accordance 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 the disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates.

Revenue Recognition

In May 2014, the Financial Accounting Standards Board ("FASB") issued a new accounting standard (ASC Topic 606) that replaced substantially all existing accounting guidance, including industry specific guidance, related to the recognition of revenue from contracts with customers. The new accounting standard was intended to provide a more robust framework for addressing revenue issues, improve comparability of revenue recognition practices, and provide more robust disclosures. Under the new standard, revenue is recognized when a customer obtains control of promised goods or services in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The FASB has issued several subsequent amendments and clarifications to the original standard.

The Association adopted the requirements of the new standard (as amended) as of January 1, 2019, utilizing the modified retrospective method of transition. The Association applied the new guidance using the practical expedient provided in Topic 606 that allows the guidance to be applied only to contracts that were not complete as of January 1, 2019. The Association has determined that the application of the new guidance will not materially impact the timing or amount of revenue recognized and substantially all the Association's revenue will continue to be recognized over time.

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF MINOT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2020 AND 2019

In 2018, the FASB issued an accounting standard update intended to clarify and improve the scope and the accounting guidance for contributions received and contributions made, primarily by not-for-profit organizations (ASU Topic 958). The amendments in the ASU provided a more robust framework for determining whether a transaction should be accounted for as a contribution or as an exchange transaction. The Association adopted the requirements of the new standard for the year ended December 31, 2019.

Depending on the existence and/or nature of any restrictions, contributions received are recorded as support with donor restrictions or support without donor restrictions. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities and Changes in Net Assets as net assets released from restrictions.

NOTE 2 INVESTMENTS

Marketable equity securities at December 31, 2020 and 2019 consist of the following:

		Unrealized	
2020	<u>Cost</u>	<u>Gain</u>	<u>Market Value</u>
	<u>\$ 1,877</u>	<u>\$ 523</u>	<u>\$ 2,400</u>
2019	<u>Cost</u>	<u>Unrealized Gain</u>	<u>Market Value</u>
	<u>\$ 1,877</u>	<u>\$ 492</u>	<u>\$ 2,369</u>

NOTE 3 FAIR VALUE MEASUREMENTS

The beneficial interest in assets held at the Minot Area Community Foundation have been valued, as a practical expedient, at the fair value of the Association's share of the Foundation's investment pools as of the measurement date. The Foundation values securities and other financial instruments on a fair value basis of accounting. The estimated fair value of certain investments of the Foundation, which includes private placements and other securities for which prices may not be readily available, are determined by the management of the Foundation and may not reflect amounts that could be realized upon immediate sale, nor amounts that ultimately may be realized. Accordingly, the estimated fair values may differ significantly from the values that would have been used had a ready market existed for these investments.

The Foundation's investments are composed of marketable securities. The beneficial interest in assets held at the Foundation are not redeemable by the Association, as described in Note 1.

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF MINOT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2020 AND 2019

The following table presents assets measured at fair value on a recurring basis as of December 31, 2020 and 2019:

Description	Total Carrying Amount	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
2020				
Marketable equity securities	\$ 2,400	\$ 2,400	\$ -	\$ -
Beneficial interest in perpetual trust	15,296	-	-	15,296
	<u>\$ 17,696</u>	<u>\$ 2,400</u>	<u>\$ -</u>	<u>\$ 15,296</u>
2019				
Marketable equity securities	\$ 2,369	\$ 2,369	\$ -	\$ -
Beneficial interest in perpetual trust	13,598	-	-	13,598
	<u>\$ 15,967</u>	<u>\$ 2,369</u>	<u>\$ -</u>	<u>\$ 13,598</u>

Financial instruments classified as Level 3 in the fair value hierarchy represent the Association's investments in financial instruments in which management has used at least one significant unobservable input in the valuation model. The following table represents a reconciliation of the activities for Level 3 financial instruments:

	Beneficial interest in assets held by others
Balance, January 1, 2019 (restated)	\$ 11,736
Gain on beneficial interest in perpetuity	1,862
Balance, December 31, 2019 (restated)	<u>13,598</u>
Gain on beneficial interest in perpetuity	1,698
Balance, December 31, 2020	<u>\$ 15,296</u>

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF MINOT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2020 AND 2019

NOTE 4 PROPERTY AND EQUIPMENT

Details pertaining to property and equipment and accumulated depreciation at December 31, 2020 and 2019 are as follows:

	<u>2020</u>	<u>2019</u>
Land improvements	\$ 6,171	\$ 6,171
Land	414,090	-
Building and improvements	1,534,097	1,534,097
Furniture and equipment	93,346	93,346
	<u>2,047,704</u>	<u>1,633,614</u>
Less accumulated depreciation	<u>(755,705)</u>	<u>(722,218)</u>
Total net property and equipment	<u>\$ 1,291,999</u>	<u>\$ 911,396</u>

NOTE 5 REVENUE RECOGNITION IN ACCORDANCE WITH FASB ASC 606

Accounts receivable from contracts with customers at December 31, 2020 and 2019 were as follows:

	<u>2020</u>	<u>2019</u>
Beginning of the year	\$ 200	\$ 72
End of the year	400	200

NOTE 6 CONCENTRATION OF CREDIT RISK AND FDIC COVERAGE

The Association maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits as guaranteed by the Federal Deposit Insurance Corporation (FDIC). The Association maintains their cash deposits in large, well-capitalized financial institutions. The Association has not experienced any losses in such accounts nor does the Association believe it is exposed to any significant credit risk on cash accounts.

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF MINOT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
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NOTE 7 LONG-TERM DEBT

Details pertaining to the Association's notes payable and assets assigned as collateral thereon at December 31, 2020 and 2019, are as follows:

<u>Payee / Collateral</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Current Portion</u>	<u>Total Due</u>	
				<u>2020</u>	<u>2019</u>
Bremer Bank / Building	4.80%	5/20/2022	<u>\$ 25,291</u>	<u>\$ 620,933</u>	<u>\$ 644,873</u>

The aggregate amount of required future principal payments on the above long-term obligations as of December 31, 2020, is as follows:

For the year ending December 31:	
2021	\$ 25,291
2022	<u>595,642</u>
Total	<u>\$ 620,933</u>

Under the terms of the above agreement, the organization is subject to various loan covenants, all of which had been complied with as of December 31, 2020 and 2019.

NOTE 8 IN-KIND REVENUE

The Association received donated goods and supplies with an estimated fair value of \$48,512 and \$47,560 in 2020 and 2019, respectively. During the year ended December 31, 2020, the Association had a building and the surrounding property at 202 3rd Ave SE, Minot, ND donated to them. The property has an appraised fair market value of \$275,000 and was donated "as is."

NOTE 9 CONTRIBUTED SERVICES

A substantial number of unpaid volunteers have made significant contributions of their time to carry out the mission of the organization. In accordance with professional standards, the value of this contributed time is not reflected in these statements.

NOTE 10 ECONOMIC DEPENDENCY

Young Women's Christian Association of Minot receives a substantial amount of its support from federal, state, and local governments. A significant reduction in the level of this support, if this were to occur, may have a material effect on the Association's programs.

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF MINOT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2020 AND 2019

NOTE 11 NET ASSETS WITHOUT DONOR RESTRICTIONS

The board of directors of Young Women's Christian Association of Minot had enacted policies that affect the presentation of board designation on net assets. Bequests without donor restrictions may be designated by the board of directors for short term investment and are presented as board designated funds. The Association does not maintain any board designated net assets as of December 31, 2020 and 2019. As of December 31, 2020 and 2019, the Association had \$906,609 and \$605,128 of net assets without donor restrictions, respectively.

NOTE 12 NET ASSETS WITH DONOR RESTRICTION

Net assets with donor restrictions are restricted for the following purposes or periods:

	2020	2019 (Restated)
Subject to the Association's spending policy and appropriation:		
Beneficial interest held in perpetuity	\$ 15,296	\$ 13,598
Subject to expenditure for specified purpose:		
Grant revenue restricted for specific use	-	8,500
Total net assets with donor restrictions	\$ 15,296	\$ 22,098

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF MINOT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2020 AND 2019

NOTE 13 SUMMARY OF FINANCIAL ASSETS AVAILABLE FOR GENERAL USE

The following reflects the financial assets of Young Women's Christian Association of Minot as of December 31, 2020 and 2019, reduced by amounts unavailable for general expenditure because of contractual or donor-imposed restrictions within one year of the statement of financial position date. Amounts unavailable also includes amounts set aside for short-term investing in the operating reserve that could be drawn upon if the governing board approves that action. However, amounts already appropriated from either the donor-restricted endowments or operating reserve for general expenditure within one year of the statement of financial position date have not been subtracted as unavailable. Financial assets are considered to be cash and cash equivalents and other assets readily convertible to cash.

	<u>2020</u>	<u>2019 (Restated)</u>
Financial assets:		
Cash and cash equivalents	\$ 186,539	\$ 282,614
Restricted cash	-	8,500
Grants receivable	25,000	49,778
Accounts receivable	400	200
Contributions receivable	22,675	-
Trust receivable	7,000	-
Investments	2,400	2,369
Beneficial interest held by others	15,296	13,598
Total financial assets	<u>259,310</u>	<u>357,059</u>
Less those unavailable for general expenditures within one year:		
Contractual or donor imposed restrictions		
Beneficial interest in assets held in perpetuity	15,296	13,598
Restricted by donor for a specific time or purpose	-	8,500
Total financial assets unavailable for general expenditure	<u>15,296</u>	<u>22,098</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 244,014</u>	<u>\$ 334,961</u>

NOTE 14 UNCERTAIN TAX POSITIONS

It is the opinion of management that the Association has no significant uncertain tax positions that would be subject to change upon examination. The federal income tax returns of the Association are subject to examination by the IRS, generally for three years after they were filed. All required filings with tax authorities are up-to-date.

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF MINOT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
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NOTE 15 COVID-19

On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic. Federal, state and local governments have since implemented various restrictions on travel, public gatherings, and business operations. While the Association has been able to remain active, restrictions and government social distancing recommendations have significantly impacted the activities of the Association. While the Association expects this matter to negatively impact the results of operations and financial condition, the extent of the impact is uncertain.

On March 27, 2020, Congress enacted the Coronavirus Aid, Relief, and Economic Security Act (CARES ACT) which established the Paycheck Protection Program (the "Program"). The Program was created to assist small businesses in paying their employees and certain other expenses during the COVID-19 crisis. The Association applied for a loan under this program and received a loan from Bremer Bank in the amount of \$18,300 on April 30, 2020. The loan is forgivable provided the funds are used for qualifying expenses including payroll, rent, and utilities as required by the SBA loan program. The Association was granted forgiveness of the entire PPP Loan balance in February of 2021.

NOTE 16 FUTURE ACCOUNTING PRONOUNCEMENTS

ASU 2016-02, *Leases (Topic 842)*: During 2016, the FASB issued guidance to change the accounting for leases. The main provision of ASU 2016-02 is that lessees will be required to recognize lease assets and lease liabilities for most long-term leases, including those classified as operating leases under GAAP. The ASU is effective for the Association for fiscal years beginning after December 31, 2021, and interim periods within fiscal years beginning after December 31, 2022.

ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958)* – During 2020, the FASB issued guidance to change the financial statement presentation and disclosure of contributed nonfinancial assets, or gift-in-kind. ASU 2020-07 requires not-for-profits to present contributed nonfinancial assets as a separate line item in the statement of activities and provide additional disclosures about contributions of nonfinancial assets. The ASU is effective for the Association for fiscal year beginning after June 15, 2021, and interim periods within fiscal years beginning after June 15, 2022.

Management has not yet determined what effect these pronouncements will have on the Association's financial statements.

With the exception of the standards discussed above, we have not identified any new accounting pronouncements that have potential significance to the Association's financial statements.

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF MINOT
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NOTE 17 RESTATEMENT

The Association determined that the balance of the beneficial interest in assets held by others was overstated as of December 31, 2019. Adjustments were made to the December 31, 2019 balance of beneficial interest in assets held by others as well as the respective income statement accounts. This led to a reduction in beneficial interest in assets held by others and net assets with donor restrictions as of December 31, 2019 of \$256,794 as well as a reduction to the increase in beneficial interest in assets held by others of \$53,329.

NOTE 18 PRIOR PERIOD ADJUSTMENT

The Association determined that the balance of beneficial interest in assets held by others was overstated as of December 31, 2018. Adjustments were made to decrease the beginning balance of beneficial interest in assets held by others and net assets with donor restrictions by \$203,465.

NOTE 19 SUBSEQUENT EVENTS

On January 13, 2021 the Second Draw Paycheck Protection Program opened. Under the Second Draw Program, certain eligible borrowers that previously received a First Draw PPP Loan can apply for a Second Draw PPP Loan with the same general loan terms. YWCA applied for a loan under this program and received a loan from Bremer bank in the amount of \$18,343 on January 24, 2021. The loan is forgivable if the YWCA meets certain criteria as established under the program. Any portion of the loan not forgiven will be due January 24, 2026 and will accrue interest at a rate of 1.0%. The loan does not require personal guarantees or any other collateral from the Company.

In June of 2021, the Young Women's Christian Association of Minot severed ties with the Young Women's Christian Association USA. The Association rebranded and is now operating under the name of "Project BEE."

On November 23, 2021, Project BEE signed a sub-recipient agreement with the City of Minot for the development of a family homeless shelter with six emergency shelter units for low- and moderate-income households. The shelter will be located at 1901 South Broadway in Minot, ND. The City shall provide up to \$1,906,857 of their National Disaster Resilience award. The project shall commence on November 23, 2021 and shall be completed by December 31, 2022.

On November 23, 2021, Project BEE signed a sub-recipient agreement with the City of Minot to develop and construct seventeen affordable rental units for low- and moderate-income households. The affordable rental units will be located at 1901 South Broadway in Minot, ND. The City shall provide up to \$2,117,966 of their National Disaster Resilience award. The project shall commence on November 23, 2021 and shall be completed by December 31, 2022.

As of December 6, 2021, \$2,075,117 of the funds provided in the sub-recipient agreements with the City of Minot have been spent and Project Bee is the owner of the land and building at 1901 S Broadway, Minot, ND 58701.

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF MINOT
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No other significant events occurred subsequent to the Association's year end. Subsequent events have been evaluated through December 6, 2021, which is the date these financial statements were available to be issued.