

**YWCA of the USA
dba YWCA USA**

AUDITED FINANCIAL STATEMENTS

August 31, 2013

YWCA of the USA
AUDITED FINANCIAL STATEMENTS
August 31, 2013

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The Board of Directors
YWCA of the USA
Washington, DC

Independent Auditor's Report

Report on the Financial Statements

We have audited the accompanying financial statements of the YWCA of the USA (YWCA USA), which comprise the statement of financial position as of August 31, 2013, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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 of 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 YWCA USA as of August 31, 2013, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the YWCA USA's August 31, 2012 financial statements, and our report dated December 27, 2012, expressed an unmodified opinion on those financial statements. In our opinion, the summarized comparative information presented herein as and for the year ended August 31, 2012, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Drolet & Associates, P.A.C.

Washington, DC
January 14, 2014

YWCA of the USA
STATEMENT OF FINANCIAL POSITION
August 31, 2013
(With Summarized Financial Information for August 31, 2012)

	2013	2012
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,087,396	\$ 617,577
Prepaid expenses	44,284	52,490
Other current assets	64,915	66,974
TOTAL CURRENT ASSETS	1,196,595	737,041
INVESTMENTS	55,548,367	53,929,188
FIXED ASSETS, net	3,414,500	2,885,873
DEPOSITS	6,000	6,000
TOTAL ASSETS	\$ 60,165,462	\$ 57,558,102
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 370,401	\$ 441,419
Payable to beneficiaries	273,002	214,972
Deferred rent	5,752	8,787
TOTAL CURRENT LIABILITIES	649,155	665,178
DEFERRED RENTAL INCOME	882,614	327,701
TOTAL LIABILITIES	1,531,769	992,879
NET ASSETS		
Unrestricted	50,205,743	48,461,158
Temporarily restricted	2,156,665	1,832,780
Permanently restricted	6,271,285	6,271,285
TOTAL NET ASSETS	58,633,693	56,565,223
TOTAL LIABILITIES AND NET ASSETS	\$ 60,165,462	\$ 57,558,102

The accompanying notes are an integral part of these financial statements.

YWCA of the USA
STATEMENT OF ACTIVITIES
For the Year Ended August 31, 2013
(With Summarized Financial Information for the Year Ended August 31, 2012)

	Unrestricted	Temporarily Restricted	Permanently Restricted	2013 Total	2012 Total
REVENUES AND OTHER SUPPORT					
Contributions and bequests	\$ 304,788	\$ 145,878		\$ 450,666	\$ 419,229
Interest and dividends	890,670	128,962		1,019,632	1,088,468
Gain on investments	4,719,919	372,826		5,092,745	2,602,104
Support fees	1,742,518			1,742,518	-0-
Leadership development center (loss) revenue, net of expenses of approximately \$190,000 and \$116,000, respectively	(19,665)			(19,665)	48,703
Change in value of split interest agreements		(68,109)		(68,109)	82,964
Donated services	21,524			21,524	339,925
Registration income	176,893			176,893	170,891
Other income	15,720			15,720	21,160
Net assets released from restrictions	255,672	(255,672)		-0-	-0-
TOTAL REVENUES AND OTHER SUPPORT	8,108,039	323,885	\$ -0-	8,431,924	4,773,444
EXPENSES					
Program services:					
Advocacy	1,064,602			1,064,602	544,016
Communications	812,554			812,554	632,401
Local Initiatives	2,884,919			2,884,919	666,474
Global Initiatives	221,291			221,291	381,574
Total program services	4,983,366	-0-	-0-	4,983,366	2,224,465
Supporting services:					
Management and general admin.	913,593			913,593	2,810,162
Fundraising	466,495			466,495	447,911
Total supporting services	1,380,088	-0-	-0-	1,380,088	3,258,073
TOTAL EXPENSES	6,363,454	-0-	-0-	6,363,454	5,482,538
CHANGE IN NET ASSETS	1,744,585	323,885	-0-	2,068,470	(709,094)
NET ASSETS, BEGINNING OF YEAR	48,461,158	1,832,780	6,271,285	56,565,223	57,274,317
NET ASSETS, END OF YEAR	\$ 50,205,743	\$ 2,156,665	\$ 6,271,285	\$ 58,633,693	\$ 56,565,223

The accompanying notes are an integral part of these financial statements.

YWCA OF THE USA
STATEMENT OF CASH FLOWS
August 31, 2013
(With Summarized Financial Information for August 31, 2012)

	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES		
CHANGE IN NET ASSETS	\$ 2,068,470	\$ (709,094)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Gain on investments	(5,092,745)	(2,602,104)
Depreciation and amortization - operating	16,752	20,510
Depreciation and amortization - Leadership Development Center	189,290	115,890
Change in value of split interest agreements	68,109	(82,964)
Decrease in prepaid expenses	8,206	28,259
Decrease in other current assets	2,059	146,568
Decrease in deposits	-0-	59,000
(Decrease) increase in accounts payable and accrued expenses	(71,018)	50,200
Increase (decrease) in payable to beneficiaries	58,030	(98,332)
(Decrease) increase in deferred rent	(172,660)	(2,401)
Decrease in security deposit	-0-	(123,023)
NET CASH USED IN OPERATING ACTIVITIES	(2,925,507)	(3,197,491)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of fixed assets	(10,129)	-0-
Purchases of investments	(3,770,676)	(6,716,285)
Proceeds from sale/maturity of investments	7,176,131	9,418,554
NET CASH PROVIDED BY INVESTING ACTIVITIES	3,395,326	2,702,269
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	469,819	(495,222)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	617,577	1,112,799
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 1,087,396	\$ 617,577

The accompanying notes are an integral part of these financial statements.

YWCA of the USA
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended August 31, 2013
(With Summarized Financial Information for the Year Ended August 31, 2012)

	Program Services					Supporting Services		2013 Total	2012 Total
	Advocacy	Comm.	Local Initiatives	Global Initiatives	Total	Mgmt. and Gen. Admin.	Fundraising		
Salaries and benefits	\$ 408,603	\$ 338,948	\$ 1,031,122		\$ 1,778,673	\$ 628,847	\$ 168,133	\$ 2,575,653	\$ 1,296,578
Meetings and related	9,884	20,671	286,184	\$ 56,406	373,145	86,570		459,715	373,252
Professional fees	207,490	113,525	32,856		353,871	1,221,803	127,079	1,702,753	1,933,626
Marketplace					-0-			-0-	25,364
Temporary personnel/Agency fees					-0-			-0-	17,077
Printing and printed materials	82	123	18,440	190	18,835	11,406	2,393	32,634	19,515
Communications	194	243	4,770		5,207	19,527		24,734	38,560
Office supplies and postage	292	32	5,193		5,517	13,496		19,013	35,873
Rent and utilities			3,360		3,360	354,498		357,858	662,458
Insurance					-0-	52,459		52,459	58,238
Travel	951	619	470,332	4,024	475,926	197,045	1,198	674,169	303,954
Membership and support	8,154				8,154	10,000		18,154	22,524
Awards and grants				160,500	160,500			160,500	140,000
World YWCA allocation					-0-	152,821		152,821	211,779
Reorganization					-0-			-0-	216,387
Miscellaneous	24,118	2,123	11,451	171	37,863	77,766	610	116,239	106,843
Depreciation and amortization					-0-	16,752		16,752	20,510
General and admin. allocation	404,834	336,270	1,021,211		1,762,315	(1,929,397)	167,082	-0-	-0-
Total expenses reported by function on Statement of Activities	\$ 1,064,602	\$ 812,554	\$ 2,884,919	\$ 221,291	\$ 4,983,366	\$ 913,593	\$ 466,495	\$ 6,363,454	\$ 5,482,538

The accompanying notes are an integral part of these financial statements.

YWCA of the USA
NOTES TO FINANCIAL STATEMENTS
August 31, 2013

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The YWCA of the USA (YWCA USA) was incorporated in 1907 under the laws of the State of New York as a nonprofit corporation to carry out the mission of providing support for the empowerment of women and the elimination of racism. The YWCA USA is incorporated under the name, Young Women's Christian Association of the United States of America, Inc.

The major programs of the YWCA USA are as follows:

Advocacy: Identifies, educates, and mobilizes members and supporters on critical legislative and public policy issues and government funding to ensure the interests of the YWCA USA are represented before Congress, the White House, and government agencies.

Communications: Builds unified corporate identity and visibility. Conveys mission, programs, and services of the YWCA USA with intentional and coordinated efforts.

Local Initiatives: Provides support to local YWCA associations to further mission impact and business vitality, including: capacity building training, services and resources; conferences and regular networking; organizational sustainability and growth initiatives; signature and model programs, and fund and friend-raising collaborations and opportunities.

Global Initiatives: Promotes partnerships and relationship-building with the World YWCA and other YWCAs worldwide and advocates international public policies consistent with mission.

Income Taxes

The YWCA USA is a nonprofit organization exempt from U.S. Federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the Code) and has been classified as an organization that is not a private foundation under Section 509(a) of the Code. No provision for income taxes is required for the year ended August 31, 2013 as YWCA USA has no unrelated business income.

The YWCA USA requires that a tax position be recognized or derecognized based on a "more-likely-than-not" threshold. This applies to positions taken or expected to be taken in a tax return. The YWCA USA does not believe its financial statements include, or reflect, any uncertain tax positions.

The YWCA USA's Form 990, *Return of Organization Exempt from Income Tax*, is subject to examination by the Internal Revenue Service, generally for three years after it is filed.

**Financial
Statement
Presentation**

The YWCA USA classifies information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

YWCA of the USA
NOTES TO FINANCIAL STATEMENTS (Continued)
August 31, 2013

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Cash and

Cash Equivalents The YWCA USA considers all highly liquid investments with a maturity of three months or less, when purchased, to be cash equivalents.

**Donated
Services**

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the YWCA USA.

**Public Support
and Revenue**

Contributions are generally available for unrestricted use unless specifically restricted by the donor. Contributions are recorded at their fair value in the period received. Contributions receivable due in the following year are reflected as current promises to give and are recorded at their net realizable value. Contributions receivable due in subsequent years are reflected as long-term contributions receivable and are recorded at the present value of their net realizable value, using risk-free interest rates applicable to the years in which the promises are received to discount the amounts. Contributions receivable are considered fully collectible by management and therefore no allowance for doubtful account is necessary.

Contributions of cash and other assets are reported as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Temporarily restricted support is recorded as unrestricted support if the restriction is met in the same accounting period as the support is received.

Contributions subject to restrictions imposed by the donor requiring that principal be maintained in perpetuity and only income be utilized are reported as permanently restricted net assets.

Support fees from local YWCA associations are recognized over the membership period which coincides with the YWCA USA's fiscal year.

Legacies and bequests are recognized when an unassailable right to the gift has been established by the court and the proceeds are measurable.

Investment income, sale of materials and publications, and miscellaneous revenue are all recognized as income when earned.

Investments

Investments are stated at fair value. The valuation of the investments is based upon quotations obtained from national securities exchanges where securities are listed on an exchange. Investment values in the Wellington Common Trust Funds are determined by pricing agents of Wellington Management Company, LLP and its

YWCA of the USA
NOTES TO FINANCIAL STATEMENTS (Continued)
August 31, 2013

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Investments
(Continued)

affiliates (Wellington Management). Wellington Management determines the fair value when market quotations are not readily available. Investment earnings available for distribution are recorded as unrestricted, temporarily restricted, or permanently restricted net assets in accordance with the donor's designation. However, investment earnings are reported as increases in unrestricted net assets if the restrictions are met in the reporting period in which the investment earnings are recognized.

Fixed Assets

Land, building, furniture and equipment are carried at cost, if purchased, net of accumulated depreciation and amortization. The YWCA USA capitalizes all expenditures for land, building, furniture and equipment, and leasehold improvements in excess of \$1,000. The fair value of donated assets is similarly capitalized. Depreciation of fixed assets is provided using the straight-line method over the estimated useful lives of the assets. Leasehold improvements are amortized over the shorter of the useful life or the term of the lease. Expenditures and related betterments that extend the useful lives of the assets are capitalized. Expenditures for maintenance and repairs, including planned major maintenance activities, are charged to expense as incurred.

Functional
Allocation of
Expenses

The costs of providing the various programs and supporting services have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services, principally on the basis of staff effort expended in each of the service areas.

Use of
Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Prior Year
Information

The financial statements include certain prior year summarized comparative totals as of and for the year ended August 31, 2012. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the financial statements for the year ended August 31, 2012, from which the summarized information was derived.

Reclassifications

Certain 2012 amounts have been reclassified for comparative purposes.

YWCA of the USA
NOTES TO FINANCIAL STATEMENTS (Continued)
August 31, 2013

NOTE B - RETIREMENT PLAN

Substantially all of the YWCA USA's employees are covered under the Young Woman's Christian Association Retirement Fund, Inc. (the Fund), a multi-employer sponsored cash balance defined benefit pension plan. The Fund is a separate legal entity from the YWCA USA. The YWCA USA's contributions to the Fund, at the rate of 7.5% of compensation, were approximately \$73,000 and \$28,000 for the years ended August 31, 2013 and 2012, respectively.

NOTE C - FIXED ASSETS

As of August 31, 2013 and 2012 fixed assets consisted of the following:

Description	2013	2012
Building and improvements	\$ 5,205,439	\$ 4,492,071
Leasehold improvements	1,021	1,021
Office furniture and equipment	323,122	301,822
	5,529,582	4,794,914
Less accumulated depreciation and amortization	(3,261,147)	(3,055,106)
	2,268,435	1,739,808
Land	1,146,065	1,146,065
Fixed assets, net	\$ 3,414,500	\$ 2,885,873

NOTE D - LEADERSHIP DEVELOPMENT CENTER

In fiscal year 2001, the YWCA USA, as lessor, entered into a non-cancelable operating lease for the Leadership Development Center facility, expiring in June 2011. During the year ended August 31, 2011, the lease was amended and extended through July 31, 2019. The amendment included "renewal term improvement credits" whereby the tenant will pay for certain improvements in exchange for rent for the duration of the lease. Deferred rent revenue represents the improvements provided by the tenant, net of rental income. The rental income is being recognized on the straight-line basis over the lease term. The total amount of improvements that the YWCA USA has received is approximately \$1.236 million.

For the years ended August 31, 2013 and 2012, total rental income was approximately \$170,000 and \$165,000, respectively, and is included in net Leadership Development Center revenue in the accompanying statement of activities.

NOTE E - PAYABLE TO BENEFICIARIES

In connection with the split interest agreements, the YWCA USA holds certain assets on behalf of member YWCAs. Such assets are included in split interest investments and a corresponding liability is payable to beneficiaries in the accompanying statement of financial position.

YWCA of the USA
NOTES TO FINANCIAL STATEMENTS (Continued)
August 31, 2013

NOTE E - PAYABLE TO BENEFICIARIES (Continued)

Payable to beneficiaries as of August 31, 2013 and 2012 consisted of the following:

Description	2013	2012
Payable to beneficiaries	\$ 174,129	\$ 117,751
Payable to member YWCAs	98,873	97,221
Total payable to beneficiaries	\$ 273,002	\$ 214,972

The amount payable to beneficiaries is the present value of the expected future cash flows to be paid to the beneficiaries. The amount payable to member YWCAs is the shared beneficial interest due to member YWCAs.

NOTE F - INVESTMENTS

Investments, which include split interest agreements, consisted of the following as of August 31, 2013 and 2012:

Description	2013	2012
Wellington Common Trust Fund Research Equity Portfolio	\$ 13,955,658	\$ 13,502,871
Wellington Common Trust Fund International Research Equity Portfolio	13,928,295	13,311,732
Wellington Common Trust Fund Opportunistic Investment Allocation Portfolio	7,772,469	7,904,872
Wellington Common Trust Fund TIPS Portfolio	13,128,355	12,658,873
Wellington Common Trust Fund Global Contrarian Equity Portfolio	5,540,996	5,347,409
Blackrock U.S. Government Income Bond Portfolio	63,313	21,951
Blackrock Total Return Fund	21,957	68,995
Vanguard Total Bond Market Index Fund Admiral	403,938	450,400
Vanguard Total Stock Market Index Fund Admiral	733,386	662,085
Total investments	\$ 55,548,367	\$ 53,929,188

The Investment Committee has oversight responsibility for the investments, the majority of which are managed by Wellington Trust Company and Vanguard Group, Inc. The Wellington Common Trust Funds are custodied by State Street Bank.

YWCA of the USA
NOTES TO FINANCIAL STATEMENTS (Continued)
August 31, 2013

NOTE G - COMMITMENTS AND CONTINGENCIES

During the year ended August 31, 2010, the YWCA USA entered into a sublease agreement for office space in Washington, DC. The lease term is from March 1, 2010 through February 28, 2015, with a renewal option of five additional years. The lease contains a clause for additional rent payments in lieu of the YWCA USA's prorata share of operating expenses and real estate taxes. The YWCA USA provided a letter of credit totaling approximately \$26,000 as a security deposit.

Minimum rentals on an annual basis as of August 31, 2013 are as follows:

<i>Year Ending August 31,</i>	Amount
2014	\$ 333,008
2015	166,685
Total	\$ 499,693

The YWCA USA terminated its lease for office space in New York in July 2012. Prior to termination of the lease, the YWCA USA had subleased the space to another entity. The sublease was also terminated in July 2012.

Rent expense for the year ended August 31, 2013 was approximately \$354,000. Total rent expense for the year ended August 31, 2012, net of sublease income, was approximately \$662,000. Sublease income for the year ended August 31, 2012 was approximately \$499,000.

NOTE H - SPLIT INTEREST AGREEMENTS

Pooled Income Fund

The YWCA USA manages a pooled income fund in which it shares a beneficial interest with member YWCAs. The fund is divided into units, and contributions from several donors are pooled. Donors are assigned a specific number of units based on the proportion of the fair market value of their contribution to the total fair market value of the fund. The beneficiary will receive the actual income earned on his or her units during their lifetime. The assets contributed are invested in the fund until the beneficiary's death. At that time, the value of the units assigned to the beneficiary will revert to the YWCA USA and its members as stated in the agreement. The fair market value of the pooled income fund as of August 31, 2013 and 2012 was approximately \$1,137,000 and \$1,112,000, respectively. The actuarial present value of the YWCA USA's interest in such funds as of August 31, 2013 and 2012 was approximately \$922,000 and \$932,000, respectively, and was computed using a discount rate of 2.0% and 1.0%, respectively for the years ended August 31, 2013 and 2012, compounded annually.

YWCA of the USA
NOTES TO FINANCIAL STATEMENTS (Continued)
August 31, 2013

NOTE H - SPLIT INTEREST AGREEMENTS (Continued)

Gift Annuities

The YWCA USA gift annuity program includes both gift annuities and deferred payment gift annuities. These assets are segregated as separate and distinct funds, independent from other funds and cannot be applied to payment of the debts and obligations of the YWCA USA or any other purpose other than annuity benefits specified in the agreements. The YWCA USA agrees to pay a stated dollar amount annually to the beneficiaries as long as they live, after which time the remaining assets are available for unrestricted use of the YWCA USA. As of August 31, 2013 and 2012, the total assets, at fair market value, were approximately \$85,000 and \$91,000, respectively. The actuarial present value of the YWCA USA's interest in such funds as of August 31, 2013 and 2012 was approximately \$35,000 and \$37,000, respectively, and were computed using an interest rate of 2.0% and 1.0% as of August 31, 2013 and 2012, respectively, compounded annually.

NOTE I - CONCENTRATIONS

As of August 31, 2013, approximately \$54.3 million or 97.8% of the YWCA USA's investment portfolio was held in Wellington Common Trust Funds. As of August 31, 2012, approximately \$52.7 million or 97.8% of the YWCA USA's investment portfolio was held in Wellington Common Trust Funds. The Wellington Common Trust Funds are managed portfolios which are comprised of a variety of investment vehicles, including, but not limited to U.S. and international equities, fixed income securities, derivative instruments, private placements, commingled pool vehicles offered by affiliates of Wellington Management Company, LLP, and others. Such investments are exposed to various risks such as interest rate, market and credit risk. Due to the level of risk associated with such investments and the level of uncertainty related to the changes in value of such investments, it is at least reasonably possible that changes in risks in the near term could materially affect investment balances and the amounts reported in the financial statements.

The YWCA USA maintains bank accounts in various financial institutions which, at times, may exceed the Federal Deposit Insurance Corporation limit. Management believes the risk in these situations to be minimal.

NOTE J - CONTRACT

YWCA USA is committed under agreements for hotel conference space through the calendar year 2015. The total commitments under the agreements are not determined as it depends upon attendance and other unknown factors. There are cancellation penalties that would be due if the agreements were cancelled prior to the event date. The amount of the cancellation penalties increases through the date of the event. Management does not believe any cancellations will occur.

YWCA of the USA
NOTES TO FINANCIAL STATEMENTS (Continued)
August 31, 2013

NOTE K - TEMPORARILY RESTRICTED NET ASSETS

As of August 31, 2013 and 2012, temporarily restricted net assets were available for the following purposes:

Description	2013	2012
Scholarships	\$ 250,417	\$ 195,236
Domestic Training	145,867	104,293
International Training	239,910	185,041
International Travel	146,877	55,296
World Service Council	338,526	350,643
Split Interest Agreements	897,519	933,396
Other	137,549	8,875
Total	\$ 2,156,665	\$ 1,832,780

For the years ended August 31, 2013 and 2012, net assets were released from donor restrictions by incurring expenses satisfying the purpose restrictions specified by donors as follows:

Description	2013	2012
World Service Council	\$ 163,121	\$ 125,659
International Training	24,392	169,060
International Travel	-0-	374,732
Scholarships	6,802	-0-
Spilt Interest Agreements	54,214	-0-
Other	7,143	89
Net assets released from restrictions	\$ 255,672	\$ 669,540

YWCA of the USA
NOTES TO FINANCIAL STATEMENTS (Continued)
August 31, 2013

NOTE L - PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted net assets consisted of the following as of August 31, 2013 and 2012:

Description	2013	2012
Scholarships	\$ 644,000	\$ 644,000
Domestic Training	302,233	302,233
International Training	1,283,067	1,283,067
International Travel	840,208	840,208
World Relations	200,000	200,000
General Operations	2,426,494	2,426,494
Other	575,283	575,283
Total	\$ 6,271,285	\$ 6,271,285

NOTE M - FAIR VALUE MEASUREMENTS

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels as follows:

Level 1 - inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets (examples include equity securities);

Level 2 - inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability other than quoted prices, either directly or indirectly, including inputs in markets that are not considered to be active (examples include corporate or municipal bonds);

Level 3 - inputs to the valuation methodology are unobservable and significant to the fair value measurement. The inputs into the determination of fair value require significant management judgment (examples include certain private equity securities).

The following presents the YWCA USA's assets measured at fair value as of August 31, 2013 and 2012:

August 31, 2013	Level 1	Level 2	Level 3	Total
Wellington Common Trust Funds		\$ 54,325,773		\$ 54,325,773
Mutual funds	\$ 1,222,594			1,222,594
Total assets at fair value	\$ 1,222,594	\$ 54,325,773	\$ -0-	\$ 55,548,367

YWCA of the USA
NOTES TO FINANCIAL STATEMENTS (Continued)
August 31, 2013

NOTE M - FAIR VALUE MEASUREMENTS (Continued)

August 31, 2012	Level 1	Level 2	Level 3	Total
Wellington Common Trust Funds		\$ 52,725,757		\$ 52,725,757
Mutual funds	\$ 1,203,431			1,203,431
Total assets at fair value	\$ 1,203,431	\$ 52,725,757	\$ -0-	\$ 53,929,188

Level 2 assets are measured using prices and other information generated from market transactions. This typically includes securities priced with unadjusted market quotes, evaluated bids, market multiples, and trade information.

NOTE N - DONATED SERVICES

The YWCA USA recorded donated services for the years ended August 31, 2013 and 2012 in the amounts of \$21,524 and \$339,925, respectively. The services were recorded in the Statement of Functional Expenses as professional fees for Management and General Administrative purposes.

NOTE O - ENDOWMENT

The YWCA USA's endowment consists of funds established for a variety of purposes. Its endowment includes donor-restricted endowment funds and a fund designated by the Board of Directors to function as a quasi-endowment. As required by generally accepted accounting principles (GAAP), net assets associated with the donor-restricted endowment funds are classified and reported based on the existence or absence of donor imposed restrictions.

As of August 31, 2013 and 2012, the Board of Directors had designated approximately \$48.5 and \$48.8 million, respectively of unrestricted net assets as a general endowment fund to support the mission of the YWCA USA. Since that amount resulted from an internal designation and is not donor-restricted, it is classified and reported as unrestricted net assets.

Effective September 17, 2010, the YWCA USA became subject to the Uniform Prudent Management of Institutional Funds Act (UPMIFA) enacted by the State of New York (NYPMIFA). The YWCA USA classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, and (b) the original value of subsequent gifts to the permanent endowment. In the absence of donor restrictions, the net appreciation on a donor restricted endowment fund is spendable under NYPMIFA.

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August 31, 2013

NOTE O – ENDOWMENT (Continued)

Investment Return Objectives, Risk Parameters and Strategies: In managing and investing the YWCA USA endowment funds, the following factors, if relevant, are considered: (a) general economic conditions; (b) the possible effect of inflation or deflation; (c) the expected tax consequences, if any, of investment decisions or strategies; (d) the role that each investment or course of action plays within the overall investment portfolio of the fund; (e) the expected total return from income and the appreciation of investments; (f) other resources of the YWCA USA; (g) the needs of the YWCA USA and applicable funds to make distributions and to preserve capital; and (h) an asset's special relationship or special value, if any, to the purposes of the YWCA USA.

To satisfy its long-term rate-of-return objectives, the YWCA USA 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 YWCA USA targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy: The YWCA USA has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowments while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor restricted funds that the YWCA USA must hold in perpetuity or for donor specified periods, as well as board designated funds. With respect to the appropriation for expenditure or accumulation of a donor restricted endowment fund, subject to the intent of a donor expressed in the gift instrument, and subject to the timely direction of a donor that the YWCA USA not spend below the original dollar value of a gift made prior to September 17, 2010, the YWCA USA may appropriate for expenditure or accumulate so much of the donor restricted endowment fund as the YWCA USA determines is prudent for the uses, benefits, purposes, and duration for which each of the donor restricted endowment funds is established.

The YWCA USA adopted a policy of budgeting for distribution five percent of its Board Designated Endowment Fund's moving average fair value over the prior 12 quarters through the month of February in the preceding fiscal year in which the distribution is planned. In establishing this policy, the YWCA USA considered the long-term expected returns on its Board Designated endowment funds. This distribution formulation was selected as it is highly-likely to generate a gradually increasing payout amount each year. This is consistent with the YWCA USA's objective to maintain the purchasing power of the endowment assets help in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

The YWCA USA expects its endowment assets, over a market cycle, to return at least a nominal payout percentage (defined as the actual payout amount as a percentage of the current market value

YWCA of the USA
NOTES TO FINANCIAL STATEMENTS (Continued)
August 31, 2013

NOTE O – ENDOWMENT (Continued)

of the fund) on the current market value plus the annual rate of inflation. Actual returns in any given year may vary from this amount.

Endowment net asset composition by type of fund as of August 31, 2013 and 2012 was as follows:

August 31, 2013	Board-Designated Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds		\$ 913,478	\$ 6,271,285	\$ 7,184,763
Board-designated endowment fund	\$ 48,524,607			48,524,607
Total endowment funds	\$ 48,524,607	\$ 913,478	\$ 6,271,285	\$ 55,709,370
August 31, 2012				
Donor-restricted endowment funds		\$ 548,742	\$ 6,271,285	\$ 6,820,027
Board-designated endowment fund	\$ 48,814,354			48,814,354
Total endowment funds	\$ 48,814,354	\$ 548,742	\$ 6,271,285	\$ 55,634,381

Changes in endowment net assets for the years ended August 31, 2013 and 2012 were as follows:

August 31, 2013	Board-Designated Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	\$ 48,814,354	\$ 548,742	\$ 6,271,285	\$ 55,634,381
Contributions	78,384			78,384
Investment return:				
Investment income	893,117	135,048		1,028,165
Net appreciation (unrealized and realized)	4,390,273	619,966		5,010,239
Total investment return	5,283,390	755,014	-0-	6,038,404
Appropriation of expenditures	(2,451,521)	(390,278)		(2,841,799)
Release to undesignated	(3,200,000)			(3,200,000)
Endowment net assets, end of year	\$ 48,524,607	\$ 913,478	\$ 6,271,285	\$ 55,709,370
August 31, 2012				
Endowment net assets, beginning of year	\$ 48,152,109	\$ 959,052	\$ 6,339,651	\$ 55,450,812
Contributions	60,767			60,767
Investment return (loss):				
Investment income	958,701	129,746		1,088,447
Net appreciation (unrealized and realized)	2,285,166	67,470		2,352,636
Total investment loss	3,243,867	197,216	-0-	3,441,083
Appropriation of expenditures	(2,642,389)	(543,791)		(3,186,180)
Reclassifications		(63,735)	(68,366)	(132,101)
Endowment net assets, end of year	\$ 48,814,354	\$ 548,742	\$ 6,271,285	\$ 55,634,381

YWCA of the USA
NOTES TO FINANCIAL STATEMENTS (Continued)
August 31, 2013

NOTE O – ENDOWMENT (Continued)

During the year ended August 31, 2013, the YWCA USA released approximately \$3.2 million of board designated unrestricted net assets to unrestricted net assets.

NOTE P - SUBSEQUENT EVENTS

Subsequent events were evaluated through January 14, 2014, which is the date the financial statements were available to be issued.