

**YWCA USA, Inc.**  
**Financial Statements  
and Independent Auditor's Report**  
**June 30, 2022 and 2021**

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**YWCA USA, Inc.**

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## Independent Auditor's Report

To the Board of Directors  
YWCA USA, Inc.  
Washington, DC

### *Opinion*

We have audited the financial statements of YWCA USA, Inc. ("YWCA USA"), which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities and change in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the statements of financial position of YWCA USA, Inc. as of June 30, 2022 and 2021, 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.

### *Basis for Opinion*

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

### *Responsibilities of Management for the Financial Statements*

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

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

### *Auditor's Responsibilities for the Audit of the Financial Statements*

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of YWCA USA's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about YWCA USA's ability to continue as a going concern for a reasonable period of time.

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

*CohnReznick LLP*

Bethesda, Maryland  
November 18, 2022

**YWCA USA, Inc.**

**Statements of Financial Position  
June 30, 2022 and 2021**

Assets

	<u>2022</u>	<u>2021</u>
Current assets		
Cash and cash equivalents	\$ 7,117,020	\$ 22,037,276
Accounts receivable, net	615,072	399,656
Pledges receivable, current portion	1,242,500	5,055,865
Loans receivable, current portion	274,815	298,315
Prepaid expenses	<u>321,819</u>	<u>227,345</u>
Total current assets	<u>9,571,226</u>	<u>28,018,457</u>
Investments	67,675,249	67,469,086
Property and equipment, net	278,368	2,165,143
Property held for sale	1,555,701	-
Pledges receivable, net of current portion	-	116,223
Loans receivable, net of current portion	157,631	369,113
Deposits	<u>37,020</u>	<u>37,020</u>
	<u>\$ 79,275,195</u>	<u>\$ 98,175,042</u>
<u>Liabilities and Net Assets</u>		
Current liabilities		
Accounts payable and accrued expenses	\$ 1,407,758	\$ 1,725,827
Payable to beneficiaries	163,488	87,622
Deferred lease incentive, current portion	<u>6,313</u>	<u>6,313</u>
Total current liabilities	<u>1,577,559</u>	<u>1,819,762</u>
Long-term liabilities		
Paycheck Protection Program loan, and accrued interest	-	595,852
Deferred rent, net of current portion	346,844	159,300
Deferred lease incentive, net of current portion	<u>51,553</u>	<u>57,865</u>
Total long-term liabilities	<u>398,397</u>	<u>813,017</u>
Total liabilities	<u>1,975,956</u>	<u>2,632,779</u>
Net assets		
Without donor restrictions	61,172,916	76,762,012
With donor restrictions	<u>16,126,323</u>	<u>18,780,251</u>
Total net assets	<u>77,299,239</u>	<u>95,542,263</u>
	<u>\$ 79,275,195</u>	<u>\$ 98,175,042</u>

See Notes to Financial Statements.

**YWCA USA, Inc.**

**Statement of Activities and Change in Net Assets  
Year Ended June 30, 2022**

	Without donor restrictions	With donor restrictions	Total
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Support and revenue			
Contributions and bequests	\$ 3,211,762	\$ 2,022,160	\$ 5,233,922
Investment loss, net of expenses	(9,082,103)	(1,447,532)	(10,529,635)
Support fees	3,095,855	-	3,095,855
Change in value of split-interest agreements	-	(69,269)	(69,269)
Contributions of nonfinancial assets	122,000	-	122,000
Sponsorship and registration income	111,755	-	111,755
Other income	20,343	-	20,343
Forgiveness of Paycheck Protection Program loan and interest	595,852	-	595,852
Net assets released from restrictions	3,159,287	(3,159,287)	-
	<u>1,234,751</u>	<u>(2,653,928)</u>	<u>(1,419,177)</u>
Total support and revenue			
Expenses			
Program services			
Advocacy	1,553,118	-	1,553,118
Communications	1,269,118	-	1,269,118
Local initiatives	10,069,793	-	10,069,793
Global initiatives	318,148	-	318,148
	<u>13,210,177</u>	<u>-</u>	<u>13,210,177</u>
Total program services			
Supporting services			
Management and general administrative	2,154,282	-	2,154,282
Fundraising	1,459,388	-	1,459,388
	<u>3,613,670</u>	<u>-</u>	<u>3,613,670</u>
Total supporting services			
Total expenses	<u>16,823,847</u>	<u>-</u>	<u>16,823,847</u>
Change in net assets	(15,589,096)	(2,653,928)	(18,243,024)
Net assets, beginning of year	<u>76,762,012</u>	<u>18,780,251</u>	<u>95,542,263</u>
Net assets, end of year	<u>\$ 61,172,916</u>	<u>\$ 16,126,323</u>	<u>\$ 77,299,239</u>

See Notes to Financial Statements.

**YWCA USA, Inc.**

**Statement of Activities and Change in Net Assets  
Year Ended June 30, 2021**

	Without donor restrictions	With donor restrictions	Total
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Support and revenue			
Contributions and bequests	\$ 19,103,418	\$ 1,947,648	\$ 21,051,066
Investment income, net of expenses	11,626,956	2,017,902	13,644,858
Support fees	3,386,794	-	3,386,794
Leadership development center rental income, net of expenses of \$194,278	222,022	-	222,022
Change in value of split-interest agreements	-	54,008	54,008
Contributions of nonfinancial assets	42,000	-	42,000
Sponsorship and registration income	430,292	-	430,292
Other income	40,658	-	40,658
Net assets released from restrictions	3,639,983	(3,639,983)	-
	<u>38,492,123</u>	<u>379,575</u>	<u>38,871,698</u>
Total support and revenue			
Expenses			
Program services			
Advocacy	1,102,498	-	1,102,498
Communications	1,407,597	-	1,407,597
Local initiatives	7,533,815	-	7,533,815
Global initiatives	318,705	-	318,705
	<u>10,362,615</u>	<u>-</u>	<u>10,362,615</u>
Total program services			
Supporting services			
Management and general administrative	1,843,065	-	1,843,065
Fundraising	734,067	-	734,067
	<u>2,577,132</u>	<u>-</u>	<u>2,577,132</u>
Total supporting services			
Total expenses	<u>12,939,747</u>	<u>-</u>	<u>12,939,747</u>
Change in net assets	25,552,376	379,575	25,931,951
Net assets, beginning of year	<u>51,209,636</u>	<u>18,400,676</u>	<u>69,610,312</u>
Net assets, end of year	<u>\$ 76,762,012</u>	<u>\$ 18,780,251</u>	<u>\$ 95,542,263</u>

See Notes to Financial Statements.

**YWCA USA, Inc.**

**Statement of Functional Expenses  
Year Ended June 30, 2022**

	Program services					Support services			
	Advocacy	Communications	Local Initiatives	Global Initiatives	Total	Management and general administrative	Fundraising	Total	Total
Salaries and benefits	\$ 694,947	\$ 258,728	\$ 1,743,592	\$ 35,524	\$ 2,732,791	\$ 855,871	\$ 404,588	\$ 1,260,459	\$ 3,993,250
Travel, meetings and related	22,300	11,434	301,552	2,562	337,848	68,444	17,924	86,368	424,216
Professional fees	378,243	913,922	1,263,215	20,520	2,575,900	844,280	301,671	1,145,951	3,721,851
Stipends	-	-	35,019	-	35,019	-	-	-	35,019
Printing and printed materials	190	4,225	421	13	4,849	179	522	701	5,550
Communications	485	1,898	1,636	56	4,075	40,493	396	40,889	44,964
Office supplies and postage	420	294	1,884	65	2,663	327	457	784	3,447
Rent and utilities	70,033	36,927	236,449	8,193	351,602	61,155	57,297	118,452	470,054
Insurance	8,551	4,509	28,870	1,000	42,930	13,313	7,545	20,858	63,788
Computer, equipment and maintenance	30,093	17,816	204,825	3,520	256,254	36,442	99,598	136,040	392,294
Membership and support	26,010	121	22,777	27	48,935	156	189	345	49,280
Awards and grants	250,000	-	6,059,333	75,000	6,384,333	-	496,515	496,515	6,880,848
World YWCA allocation	-	-	-	167,457	167,457	-	-	-	167,457
Miscellaneous	50,153	7,806	96,980	1,673	156,612	5,571	54,939	60,510	217,122
Depreciation and amortization	21,693	11,438	73,240	2,538	108,909	228,051	17,747	245,798	354,707
<b>Total expenses by function</b>	<b>\$ 1,553,118</b>	<b>\$ 1,269,118</b>	<b>\$ 10,069,793</b>	<b>\$ 318,148</b>	<b>\$ 13,210,177</b>	<b>\$ 2,154,282</b>	<b>\$ 1,459,388</b>	<b>\$ 3,613,670</b>	<b>\$ 16,823,847</b>

See Notes to Financial Statements.



**YWCA USA, Inc.**

**Statement of Functional Expenses  
Year Ended June 30, 2021**

	Program services					Support services			
	Advocacy	Communications	Local Initiatives	Global Initiatives	Total	Management and general administrative	Fundraising	Total	Total
Salaries and benefits	\$ 496,794	\$ 428,490	\$ 1,845,440	\$ 40,951	\$ 2,811,675	\$ 787,405	\$ 256,868	\$ 1,044,273	\$ 3,855,948
Travel, meetings and related	5,660	1,574	71,164	79	78,477	1,499	2,455	3,954	82,431
Professional fees	439,463	856,520	1,446,968	12,440	2,755,391	756,423	288,893	1,045,316	3,800,707
Stipends	250	-	-	-	250	-	-	-	250
Printing and printed materials	227	196	20,093	19	20,535	360	497	857	21,392
Communications	5,663	4,884	21,039	467	32,053	8,977	2,929	11,906	43,959
Office supplies and postage	981	727	3,496	69	5,273	1,336	3,709	5,045	10,318
Rent and utilities	50,159	43,263	186,326	4,135	283,883	79,501	25,935	105,436	389,319
Insurance	6,619	5,709	24,587	546	37,461	10,491	3,422	13,913	51,374
Computer, equipment and maintenance	34,648	41,981	251,775	2,743	331,147	52,751	71,591	124,342	455,489
Membership and support	37,658	2,034	12,575	194	52,461	3,752	2,415	6,167	58,628
Awards and grants	-	-	3,570,500	115,000	3,685,500	-	17,500	17,500	3,703,000
World YWCA allocation	-	-	-	140,429	140,429	-	-	-	140,429
Miscellaneous	12,996	12,404	37,579	695	63,674	94,651	51,969	146,620	210,294
Depreciation and amortization	11,380	9,815	42,273	938	64,406	212,315	5,884	218,199	282,605
Interest	-	-	-	-	-	27,882	-	27,882	27,882
<b>Total expenses by function</b>	<b>1,102,498</b>	<b>1,407,597</b>	<b>7,533,815</b>	<b>318,705</b>	<b>10,362,615</b>	<b>2,037,343</b>	<b>734,067</b>	<b>2,771,410</b>	<b>13,134,025</b>
Less leadership development center depreciation expense included in support and revenue	-	-	-	-	-	(194,278)	-	(194,278)	(194,278)
	<u>\$ 1,102,498</u>	<u>\$ 1,407,597</u>	<u>\$ 7,533,815</u>	<u>\$ 318,705</u>	<u>\$ 10,362,615</u>	<u>\$ 1,843,065</u>	<u>\$ 734,067</u>	<u>\$ 2,577,132</u>	<u>\$ 12,939,747</u>

See Notes to Financial Statements.

**YWCA USA, Inc.**

**Statements of Cash Flows  
Years Ended June 30, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities		
Change in net assets	\$ (18,243,024)	\$ 25,931,951
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Realized and unrealized (gains) losses on investments	11,643,229	(12,858,776)
Depreciation and amortization - operating	354,707	88,327
Depreciation and amortization - leadership development center	-	194,278
(Gain) loss on disposal of property and equipment	9,017	(3,223)
Change in value of split-interest agreements	69,269	(54,008)
Amortization of discount on pledges receivable	(3,077)	(42,363)
Bad debt expense (recovery) - accounts receivable	(2,512)	21,693
Bad debt expense - pledges receivable	42,500	9,250
Forgiveness of Paycheck Protection Program loan and interest	(595,852)	-
Change in		
Accounts receivable	(212,904)	(273,747)
Pledges receivable	3,890,165	(119,171)
Prepaid expenses	(94,474)	(159,127)
Deposits	-	(11,244)
Accounts payable and accrued expenses	(387,338)	875,273
Payable to beneficiaries	75,866	(140,231)
Accrued interest on Paycheck Protection Program loan	-	5,159
Deferred rent	187,544	141,914
Deferred lease incentive	(6,312)	39,300
Deferred rental income	-	(211,680)
Deferred revenue	-	(5,836)
	<u>(3,273,196)</u>	<u>13,427,739</u>
Cash flows from investing activities		
Loans to member YWCAs	-	(870,000)
Proceeds from repayment of loans	234,982	212,572
Purchases of property and equipment	(32,650)	(221,880)
Proceeds from sale of property and equipment	-	16,300
Proceeds from reimbursement of leasehold improvement costs	-	250,000
Purchases of investments	(35,149,889)	(11,305,010)
Proceeds from sale/maturity of investments	23,300,497	10,109,564
	<u>(11,647,060)</u>	<u>(1,808,454)</u>
Cash flows from financing activities		
Payments on line of credit	-	(1,700,000)
	<u>-</u>	<u>(1,700,000)</u>
Net cash used in financing activities	<u>-</u>	<u>(1,700,000)</u>
Net increase (decrease) in cash and cash equivalents	(14,920,256)	9,919,285
Cash and cash equivalents, beginning of year	22,037,276	12,117,991
Cash and cash equivalents, end of year	<u>\$ 7,117,020</u>	<u>\$ 22,037,276</u>
Non cash financing activity		
Forgiveness of Paycheck Protection Program loan and interest	<u>\$ 595,852</u>	<u>\$ -</u>
Supplemental disclosures of cash flow information		
Interest paid	<u>\$ -</u>	<u>\$ 22,733</u>

See Notes to Financial Statements.

## YWCA USA, Inc.

### Notes to Financial Statements June 30, 2022 and 2021

#### Note 1 - Organization and summary of significant accounting policies

##### Organization

YWCA USA, Inc. ("YWCA USA") (formerly Young Women's Christian Association of the United States of America, Inc.) 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. YWCA USA's name change was effective December 15, 2015.

The major programs of 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 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 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 outcomes 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 the mission.

##### Basis of accounting

The financial statements of YWCA USA are presented on the accrual basis of accounting and, accordingly, revenue is recognized when earned and expenses are recognized when the obligations are incurred.

##### Use of estimates

Management uses estimates and assumptions in preparing these financial statements in conformity with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. Actual results could vary from the estimates that were used.

##### Income taxes

YWCA USA is exempt from federal tax under the provisions of Section 501(c)(3) of the Internal Revenue Code. Accordingly, the accompanying financial statements do not include a provision for federal and state income taxes. YWCA USA recognizes interest expense and penalties on income taxes related to uncertain tax positions in management and general administration expenses on the statements of activities and change in net assets and accounts payable and accrued expenses on the statements of financial position. There is no provision in these financial statements for penalties and interest on income taxes related to uncertain tax positions for the years ended June 30, 2022 and 2021. Tax years prior to 2019 are no longer subject to examination by the IRS or the tax jurisdiction of the District of Columbia.

## YWCA USA, Inc.

### Notes to Financial Statements June 30, 2022 and 2021

#### **Cash and cash equivalents**

YWCA USA considers all highly-liquid investments with a maturity of three months or less, when purchased, to be cash equivalents. Cash, deposits and money market funds held in investment accounts with investment institutions are classified as cash and cash equivalents on the statements of financial position.

#### **Concentration of risk**

YWCA USA maintains balances of cash and cash equivalents in excess of Federal Deposit Insurance Corporation ("FDIC") coverage. The amount of uninsured deposits at June 30, 2022 was approximately \$6,259,000.

#### **Accounts receivable**

Accounts receivable includes trade accounts receivable and interest receivable on investments. Trade accounts receivable totaled \$567,580 and \$358,257, respectively, at June 30, 2022 and 2021. YWCA USA records accounts receivable net of allowances for doubtful accounts when necessary. The allowances are determined based on a review of the estimated collectability of the specific accounts, plus a general provision based on historical loss experience and existing economic conditions. Uncollectible amounts are charged off against the allowance for doubtful accounts once management determines an account, or a portion thereof, to be uncollectible. Based on management's evaluation of the collectability of accounts receivable, the allowance for doubtful accounts was \$19,181 and \$21,693 at June 30, 2022 and 2021, respectively. Bad debt expense (recovery) related to accounts receivable was (\$2,512) and \$21,693, respectively, for the years ended June 30, 2022 and 2021.

#### **Pledges receivable**

Pledges receivable represent unconditional promises to give from donors to contribute monies to YWCA USA. Unconditional promises to give from donors are recorded when the promise is made. Unconditional promises to give from donors where payments are due in the next year are reflected as current receivables and are recorded at their net realizable amount. Unconditional promises to give from donors where payments are due in the subsequent years are reflected as long-term pledges receivable and are reflected at the present value of their net realizable amounts using a discount rate. The amortization of the discount on long-term pledges receivable is recorded as contributions and bequests in the statements of activities and change in net assets. The need for an allowance is determined based on a review of the estimated collectability of specific accounts, plus a general provision based on historical loss experience and existing economic conditions. Uncollectible amounts are charged off against the allowance for doubtful accounts once management determines an account, or a portion thereof, to be uncollectible. Based on management's evaluation of the collectability of pledges receivable, the allowance for doubtful accounts was \$37,500 and \$0 at June 30, 2022 and 2021, respectively. Bad debt expense related to pledges receivable was \$42,500 and \$9,250, respectively, for the years ended June 30, 2022 and 2021.

#### **Loans receivable**

Loans receivable represent loans awarded to member YWCAs. The loans are to be repaid over a period of two to three years and are interest-free to the local associations. YWCA USA records loans receivable net of allowances for doubtful accounts when necessary. The allowances are determined based on a review of the estimated collectability of the specific accounts, plus a general provision based on historical loss experience and existing economic conditions. Uncollectible amounts are charged off against the allowance for doubtful accounts once management determines an account, or a portion thereof, to be uncollectible.

## YWCA USA, Inc.

### Notes to Financial Statements June 30, 2022 and 2021

Based on management's evaluation of the collectability of loans receivable, the allowance for doubtful accounts was \$0 at June 30, 2022 and 2021. Bad debt expense related to loans receivable was \$0 for the years ended June 30, 2022 and 2021.

#### **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, or Net Asset Values ("NAVs") provided by investment managers. Interest and dividend income and realized and unrealized gain (loss) on investments, less external and direct internal investment expenses are recorded as net assets without donor restrictions or net assets with donor restrictions in accordance with the donor's designation. However, interest and dividend income, and realized and unrealized gain (loss) on investments are reported as increases in net assets without donor restrictions if the restrictions are met in the reporting period in which the investment earnings are recognized. Management intends to hold investments for long-term purposes. Investments include funds with an investment manager employing a variety of strategies to achieve investment objectives. Investment objectives are consistent with YWCA USA's Investment Policy. Accrued interest is included in accounts receivable and totaled \$66,673 and \$63,092, respectively, as of June 30, 2022 and 2021.

#### **Property and equipment**

Property and equipment in excess of \$1,000 with an estimated useful life of more than one year is capitalized and stated at cost. Depreciation and amortization is provided over the estimated useful lives of the respective assets, ranging between three and 40 years, on a straight-line basis. Leasehold improvements are amortized over the shorter of the useful life or the term of the lease. The gain (loss) on the disposal of property and equipment was (\$9,017) and \$3,223 for the years ended June 30, 2022 and 2021, respectively. The gain or loss on the disposal of property and equipment is presented as part of management and general administrative and other income on the statements of activities and change in net assets.

#### **Revenue recognition**

Contributions of cash, other assets and unconditional promises to give are reported as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor restrictions.

Contributions are classified as either conditional or unconditional. A conditional contribution is a transaction where YWCA USA must overcome a barrier or hurdle to be entitled to the resource and the resource provider is released from the obligation to fund or has the right of return of any advanced funding if YWCA USA fails to overcome the barrier. Any funding received prior to overcoming the barrier is recognized as a refundable advance. At June 30, 2022 and 2021, YWCA USA had no refundable advances related to contributions.

Support that is restricted by the donor is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. 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 statements of activities and change in net assets as net assets released from restrictions. Contributions and bequests and related investment income which are both received and released from restriction in the same year are reported as revenue without donor restrictions in that year.

## YWCA USA, Inc.

### Notes to Financial Statements June 30, 2022 and 2021

Support fees consist of fees from local YWCA associations and are recognized as revenue on a pro rata basis over the period to which the membership relates and performance obligations are satisfied which coincides with YWCA USA's fiscal year.

Sponsorship income, for which there are no conditions surrounding the sponsorship, is recorded as sponsorship revenue for the portion of the payment that represents the fair value of the benefits provided, which is usually upon the event being held. The remaining portion is recorded as revenue without donor restrictions or revenue with donor restrictions depending on when the event or meeting takes place and/or the existence of any other donor restrictions. When the event or meeting occurs, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities and change in net assets as net assets released from restrictions.

Conference revenue is comprised of conference registrations. Revenue from these events is recognized upon the occurrence of the events. Conference revenue received in advance and not yet earned is deferred to the applicable period.

#### **Net assets**

##### *Net assets without donor restrictions*

Net assets without donor restrictions are net assets that are not restricted by donor stipulations for a time or purpose restriction.

YWCA USA segregates its net assets without donor restrictions into the following fund categories:

**Operating Funds** - Represents the portion of expendable funds that are available for support of YWCA USA operations.

**Board-Designated Endowment Funds** - Represents assets that have been internally designated by the Board of Directors as a general endowment fund to support the mission of YWCA USA. Board-designated endowment net assets totaled \$47,533,113 and \$57,556,944, respectively, at June 30, 2022 and 2021.

##### *Net assets with donor restrictions*

Net assets with donor restrictions result from contributions and bequests, investment income earned on restricted contributions, and investment income earned and appropriated from endowments. Use of net assets with donor restrictions is limited by donor-imposed purposes or time restrictions that have not yet been fulfilled by actions of YWCA USA pursuant to these stipulations or by the passage of time.

Net assets with donor restrictions also result from contributions whose use is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by YWCA USA's actions. The donors of these assets permit YWCA USA to use the income and gains earned on related investments for operations or for specific purposes stipulated by the donors.

## YWCA USA, Inc.

### Notes to Financial Statements June 30, 2022 and 2021

#### **Contributed nonfinancial assets**

Contributed professional services and goods are recorded as revenue and expenses at fair value when received and have been presented in the statements of activities and change in net assets as contributed nonfinancial assets and expensed in the appropriate functional category. The contributed professional services require specialized skills which would typically need to be purchased if not donated.

#### **Functional allocation of expenses**

The costs of providing the various programs and supporting services have been summarized on a functional basis in the statements of functional expenses. Costs incurred by a program service or supporting service are charged directly to that service. Other management and general administrative expenses are allocated based on the percentage of time spent by each person on each service.

#### **Adoption of new accounting principles**

During the year ended June 30, 2022, YWCA USA adopted the provisions of FASB Accounting Standards Update ("ASU") 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This standard provides guidance on the presentation of contributed nonfinancial assets in the statement of activities and change in net assets and additional disclosure requirements for each type of contributed nonfinancial asset. The ASU provides transparency on the measurement of the contributed nonfinancial assets of the organization and will not change existing recognition and measurement requirements. YWCA USA has implemented the provisions of ASU 2020-07 applicable to all contributed nonfinancial assets, which has been applied retrospectively to all periods presented.

#### **Reclassifications**

Certain reclassifications have been made to the 2021 amounts to conform to the 2022 presentation.

**YWCA USA, Inc.**

**Notes to Financial Statements  
June 30, 2022 and 2021**

**Note 2 - Liquidity and availability of resources**

The following table reflects YWCA USA's financial assets as of June 30, 2022 and 2021, reduced by amounts not available for general expenditure within one year because of donor restrictions or contractual obligations. Financial assets are considered unavailable when illiquid or not convertible to cash within one year, or because the governing board has set aside the funds for a specific contingency reserve or a long-term investment as board-designated endowments. Although YWCA USA does not intend to spend from this board-designated endowment (other than amounts appropriated per the Board's annual spending), these amounts could be made available if necessary upon approval by the Board:

	<u>2022</u>	<u>2021</u>
Financial assets		
Cash and cash equivalents	\$ 7,117,020	\$ 22,037,276
Accounts and pledges receivable, net	1,857,572	5,571,744
Loans receivable	432,446	667,428
Investments	<u>67,675,249</u>	<u>67,469,086</u>
	<u>77,082,287</u>	<u>95,745,534</u>
Less those unavailable for general expenditure within one year due to		
Cash and cash equivalents subject to donor restrictions	(6,305,321)	(3,166,190)
Cash and cash equivalents designated by the Board of Directors for specific purposes	(301,662)	(869,391)
Time and donor restricted pledges receivable	(870,000)	(4,982,984)
Noncurrent portion of loans receivable	(157,631)	(369,113)
Investments representing split-interest agreements	(746,648)	(918,077)
Investments subject to donor restrictions	(8,204,354)	(9,763,000)
Investments designated by the Board of Directors for specific purposes (net of amounts appropriated for expenditure)	<u>(49,295,315)</u>	<u>(58,696,769)</u>
	<u>(65,880,931)</u>	<u>(78,765,524)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 11,201,356</u>	<u>\$ 16,980,010</u>

YWCA USA maintains a \$3,000,000 revolving line of credit, as discussed in Note 12. The amount outstanding on the line of credit was \$0 at June 30, 2022 and 2021.



**YWCA USA, Inc.**

**Notes to Financial Statements  
June 30, 2022 and 2021**

**Note 3 - Pledges receivable**

Pledges receivable at June 30, 2022 and 2021 consist of the following:

	<u>2022</u>	<u>2021</u>
Pledges receivable in less than one year	\$ 1,280,000	\$ 5,055,865
Pledges receivable in one to five years	-	120,000
Less allowance for doubtful accounts	<u>(37,500)</u>	<u>-</u>
Total pledges receivable	1,242,500	5,175,865
Less discount to net present value	<u>-</u>	<u>(3,777)</u>
	<u><u>\$ 1,242,500</u></u>	<u><u>\$ 5,172,088</u></u>

**Note 4 - Loans receivable**

Loans receivable at June 30, 2022 and 2021 consist of the following:

	<u>2022</u>	<u>2021</u>
Loans receivable in less than one year	\$ 274,815	\$ 298,315
Loans receivable in one to five years	<u>157,631</u>	<u>369,113</u>
Total loans receivable	432,446	667,428
Less discount to net present value	<u>-</u>	<u>-</u>
	<u><u>\$ 432,446</u></u>	<u><u>\$ 667,428</u></u>

**Note 5 - Investments**

Investments at June 30, 2022 and 2021, which include split-interest agreements, consist of the following:

	<u>2022</u>	<u>2021</u>
Equity securities - domestic	\$ 9,825,719	\$ 10,827,590
Equity securities - foreign	855,625	134,550
Equities - mutual funds and ETFs	27,355,895	35,567,391
Fixed income - U.S. Treasury notes	2,711,623	2,977,062
Fixed income - U.S. Government agency notes	149,327	360,011
Fixed income - corporate bonds	4,485,409	8,915,482
Fixed income - mutual funds and ETFs	18,544,398	4,608,023
Real estate funds	808,713	1,015,799
Alternative investments	<u>2,938,540</u>	<u>3,063,178</u>
	<u><u>\$ 67,675,249</u></u>	<u><u>\$ 67,469,086</u></u>

**YWCA USA, Inc.**

**Notes to Financial Statements  
June 30, 2022 and 2021**

Alternative investments are comprised of an investment in a fund of funds (the "Fund"), which is reported at net asset value. This investment objective is to achieve above-average appreciation by opportunistically trading and investing in a wide variety of securities, instruments, and other investment opportunities and engaging in a broad array of trading and investment strategies. The Fund requires a 60-day prior written notice to redeem all or any portion of its common shares, and redemptions are made as of the last business of any calendar quarter. The minimum redemption amount is \$100,000. Net asset value per share is calculated based on measurement of all the underlying investments in the funds in accordance with FASB Accounting Standards Codification ("FASB ASC") Topic 820, *Fair Value Measurement*. As of June 30, 2022 and 2021, there are no unfunded commitments.

Investment income (loss) consists of the following:

	<u>2022</u>	<u>2021</u>
Interest and dividends	\$ 1,384,578	\$ 1,044,792
Unrealized gains (losses) on investments	(15,264,840)	11,049,828
Realized gains on investments	<u>3,621,611</u>	<u>1,808,948</u>
	(10,258,651)	13,903,568
Less investment fees	<u>(270,984)</u>	<u>(258,710)</u>
	<u><u>\$ (10,529,635)</u></u>	<u><u>\$ 13,644,858</u></u>

**Note 6 - Property and equipment**

Property and equipment at June 30, 2022 and 2021 consist of the following:

	<u>2022</u>	<u>2021</u>
Building and improvements	\$ -	\$ 5,205,439
Leasehold improvements	73,041	73,041
Office furniture and equipment	<u>842,264</u>	<u>868,776</u>
	915,305	6,147,256
Less accumulated depreciation and amortization	<u>(636,937)</u>	<u>(5,116,878)</u>
	278,368	1,030,378
Land	<u>-</u>	<u>1,134,765</u>
	<u><u>\$ 278,368</u></u>	<u><u>\$ 2,165,143</u></u>

Depreciation and amortization expense totaled \$354,707 and \$282,605 for the years ended June 30, 2022 and 2021, respectively.

## YWCA USA, Inc.

### Notes to Financial Statements June 30, 2022 and 2021

#### Note 7 - Property held for sale

YWCA USA owns a Leadership Development Center facility. Prior to July 1, 2021, YWCA USA leased the facility to a third party under an amended lease that was terminated during the year ended June 30, 2021. For the years ended June 30, 2022 and 2021, total rental income was \$0 and \$416,300, respectively, and is included in net Leadership Development Center rental income in the accompanying statements of activities and change in net assets.

During the year ended June 30, 2022, the Board of Directors decided to sell the facility and related land, and on May 16, 2022, executed a Real Estate Purchase and Sale Agreement with a buyer for \$5,570,000. The agreement has a 45-day contingency period, unless otherwise extended through amendments. Accordingly, as of June 30, 2022, the facility's land and building improvements that were previously included in property and equipment are shown as property held for sale on the statements of financial position.

Property held for sale at June 30, 2022 and 2021 consist of the following:

	<u>2022</u>	<u>2021</u>
Building and improvements	\$ 5,205,439	\$ -
Land	<u>1,134,765</u>	<u>-</u>
	6,340,204	-
Less accumulated depreciation and amortization	<u>(4,784,503)</u>	<u>-</u>
	<u>\$ 1,555,701</u>	<u>\$ -</u>

#### Note 8 - Split-interest agreements

##### Pooled income fund

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 YWCA USA and its members as specified in the underlying agreement. The fair market value of the pooled income fund as of June 30, 2022 and 2021 was \$684,620 and \$843,319, respectively, and is included in investments on the statements of financial position (see Note 5). The actuarial present value of YWCA USA's interest in such funds as of June 30, 2022 and 2021 was \$552,824 and \$776,067, respectively, and was computed using a discount rate of 3.6 percent and 1.2 percent, respectively, for the years ended June 30, 2022 and 2021, compounded annually.

##### Gift annuities

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 YWCA USA or any other purpose other than annuity benefits specified in the agreements. 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 YWCA USA. As of June 30, 2022 and 2021, the total assets, at fair market value, were \$62,028 and \$74,758, respectively. The actuarial present value of YWCA USA's

**YWCA USA, Inc.**

**Notes to Financial Statements  
June 30, 2022 and 2021**

interest in such funds as of June 30, 2022 and 2021 was \$43,858 and \$53,448, respectively, and was computed using an interest rate of 3.6 percent and 1.2 percent, respectively, for the years ended June 30, 2022 and 2021, compounded annually.

**Note 9 - Payable to beneficiaries**

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

Payable to beneficiaries at June 30, 2022 and 2021 consists of the following:

	<u>2022</u>	<u>2021</u>
Payable to beneficiaries	\$ 139,793	\$ 76,705
Payable to member YWCAs	<u>23,695</u>	<u>10,917</u>
	<u>\$ 163,488</u>	<u>\$ 87,622</u>

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 comprised of the shared beneficial interest of \$10,173 and \$10,917, respectively, due to member YWCAs and grants totaling \$13,522 and \$0, respectively, received for member YWCAs, which reflect agency transactions between YWCA USA and member YWCAs.

**Note 10 - Retirement plan**

YWCA USA participates in the Young Women's Christian Association Retirement Fund, Inc.'s (the "Retirement Fund") multiemployer sponsored cash balance defined-benefit pension plan (the "Plan"). The Retirement Fund is a separate legal entity from YWCA USA. Employees are eligible to participate in the Plan after meeting certain service requirements. Participants are 100 percent vested immediately upon enrollment into the Plan. An employer's risks of participating in a multiemployer plan are different from a single employer plan in that the assets contributed to a multiemployer plan may be used to provide benefits to employees of other participating employers; and if a participating employer stops contributing to the Plan, unfunded obligations of the Plan, if any, may be borne by the remaining participating employers.

For the years ended June 30, 2022 and 2021, YWCA USA's contributions to the Retirement Fund at a rate of 7.5 percent of compensation, totaled \$156,140 and \$114,680, respectively.

**Note 11 - Contributions of nonfinancial assets**

YWCA USA received the following contributions of nonfinancial assets for the years ended June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Contributed professional services	\$ 42,000	\$ 42,000
Contributed goods	<u>80,000</u>	<u>-</u>
	<u>\$ 122,000</u>	<u>\$ 42,000</u>

## YWCA USA, Inc.

### Notes to Financial Statements June 30, 2022 and 2021

The contributed professional services and goods expenses are presented as professional fees on the statements of functional expenses. For the years ended June 30, 2022 and 2021, the contributions of nonfinancial assets were utilized by YWCA USA's programs and support services, and there were no donor-imposed restrictions associated with the contributed professional services or contributed goods.

#### Note 12 - Line of credit

In April 2020, YWCA USA obtained a revolving line of credit in the amount of \$3,000,000 with a maturity of April 15, 2023. The line of credit has a rate, at YWCA USA's option, of either the lender's prime rate or a SOFR-based rate, with a minimum rate of 1.3% in either case, and is secured by investments. Interest is to be paid monthly based on the outstanding balance. The amount outstanding on the line of credit was \$0 at June 30, 2022 and 2021. Interest expense for the years ended June 30, 2022 and 2021 was \$0 and \$22,723, respectively.

#### Note 13 - Paycheck Protection Program loan

On April 30, 2020, YWCA USA obtained a promissory note of \$589,710 from its bank under the Small Business Administration's ("SBA") Paycheck Protection Program ("PPP") that is part of the CARES Act stimulus relief. During the year ended June 30, 2022, YWCA USA submitted its application for loan forgiveness and received notice from its lender on July 20, 2021 that the SBA approved forgiveness of \$595,852, including \$6,142 of interest. Accordingly, YWCA USA derecognized the \$595,582 loan and interest and recognized corresponding revenue. There is a six-year period during which the SBA can review YWCA USA's forgiveness calculation.

#### Note 14 - Net assets

As of June 30, 2022 and 2021, net assets with donor restrictions are restricted for the following purposes or periods.

Subject to expenditure for specified purpose:

	2022	2021
Scholarships	\$ 684,744	\$ 855,924
Domestic training	4,933,927	6,654,355
International training	684,450	1,024,251
International travel	654,249	846,690
World service council	101,198	120,633
Split-interest agreements	543,726	727,114
Racial justice	1,106,214	1,026,229
Other	817,256	924,496
	<u>9,525,764</u>	<u>12,179,692</u>

**YWCA USA, Inc.**

**Notes to Financial Statements  
June 30, 2022 and 2021**

Endowments:

	<u>2022</u>	<u>2021</u>
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	2,755,768	2,755,768
Other	<u>575,283</u>	<u>575,283</u>
	<u>6,600,559</u>	<u>6,600,559</u>
	<u>\$ 16,126,323</u>	<u>\$ 18,780,251</u>

For the years ended June 30, 2022 and 2021, net assets were released from donor restrictions by incurring expenses satisfying the purpose restrictions specified by donors as follows:

	<u>2022</u>	<u>2021</u>
Domestic training	\$ 2,415,592	\$ 1,083,213
International training	50,010	40,810
World Service Council	81,000	115,525
COVID relief	-	1,816,675
Split-interest agreements	-	153,027
Racial justice	576,385	235,602
Other	<u>36,300</u>	<u>195,131</u>
	<u>\$ 3,159,287</u>	<u>\$ 3,639,983</u>

**Note 15 - Endowments**

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

**Interpretation of relevant law**

Effective September 17, 2010, YWCA USA became subject to the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") enacted by the State of New York ("NYPMIFA"). YWCA USA classifies as net assets with donor restrictions (a) the original value of gifts to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. In accordance with NYPMIFA, YWCA USA considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund;

## YWCA USA, Inc.

### Notes to Financial Statements June 30, 2022 and 2021

- (2) The preservation of YWCA USA and the donor-restricted endowment fund;
- (3) General economic conditions;
- (4) The possible effect of inflation and deflation;
- (5) The expected total return from income and the appreciation of investments;
- (6) Other resources of YWCA USA;
- (7) An asset's special relationship or special value, if any, to the purposes of YWCA USA;
- (8) Where appropriate and circumstances would otherwise warrant, alternatives to expenditure of the Endowment Fund, giving due consideration to the effect that such alternatives may have on YWCA USA; and
- (9) The investment policies of YWCA USA.

#### **Funds with deficiencies**

From time-to-time, the fair value of the assets associated with individual donor-restricted endowments may fall below the level that the donor or NYPMIFA requires YWCA USA to retain as a fund of perpetual duration. There were no deficiencies of this nature at June 30, 2022 and 2021.

#### **Return objectives and risk parameters**

YWCA USA has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by endowments. The endowment assets are invested in a manner that is intended to achieve appreciation of assets without exposure to undue risk.

To satisfy its long-term rate-of-return objectives, 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). 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**

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 YWCA USA must hold in perpetuity or for donor specified periods, as well as board endowment 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 YWCA USA not spend below the original dollar value of a gift made prior to September 17, 2010, YWCA USA may appropriate for expenditure or accumulate so much of the donor restricted endowment fund as YWCA USA determines is prudent for the uses, benefits, purposes, and duration for which each of the donor restricted endowment funds is established.

**YWCA USA, Inc.**

**Notes to Financial Statements  
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YWCA USA adopted a policy of budgeting for distribution of four percent and five percent for the years ended June 30, 2022 and 2021, respectively, of its Board Designated Endowment Fund's moving average fair value over the prior 12 quarters in the preceding fiscal years in which the distribution is planned. In establishing this policy, 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 YWCA USA's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

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 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 June 30, 2022 and 2021 was as follows:

June 30, 2022	Without donor restrictions	With donor restrictions	Total
Donor-restricted endowment funds	\$ -	\$ 9,390,331	\$ 9,390,331
Board-designated endowment funds	47,533,113	-	47,533,113
	<u>\$ 47,533,113</u>	<u>\$ 9,390,331</u>	<u>\$ 56,923,444</u>
June 30, 2021			
Donor-restricted endowment funds	\$ -	\$ 10,711,925	\$ 10,711,925
Board-designated endowment funds	57,556,944	-	57,556,944
	<u>\$ 57,556,944</u>	<u>\$ 10,711,925</u>	<u>\$ 68,268,869</u>



**YWCA USA, Inc.**

**Notes to Financial Statements  
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Changes in endowment net assets for the years ended June 30, 2022 and 2021 were as follows:

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Endowment net assets, June 30, 2020	\$ 49,309,054	\$ 9,126,602	\$ 58,435,656
Contributions	158,447	-	158,447
Investment income			
Interest and dividends	876,272	168,600	1,044,872
Realized and unrealized gains	11,009,006	1,652,664	12,661,670
Investment fees	<u>(258,342)</u>	<u>-</u>	<u>(258,342)</u>
Total investment income, net	11,626,936	1,821,264	13,448,200
Appropriation for expenditure	<u>(3,537,493)</u>	<u>(235,941)</u>	<u>(3,773,434)</u>
Endowment net assets, June 30, 2021	57,556,944	10,711,925	68,268,869
Contributions	31,107	-	31,107
Investment loss			
Interest and dividends	1,069,610	199,167	1,268,777
Realized and unrealized losses	(8,845,049)	(1,520,761)	(10,365,810)
Investment fees	<u>(270,283)</u>	<u>-</u>	<u>(270,283)</u>
Total investment loss, net	(8,045,722)	(1,321,594)	(9,367,316)
Appropriation for expenditure	<u>(2,009,216)</u>	<u>-</u>	<u>(2,009,216)</u>
Endowment net assets, June 30, 2022	<u>\$ 47,533,113</u>	<u>\$ 9,390,331</u>	<u>\$ 56,923,444</u>

YWCA USA, Inc.

Notes to Financial Statements  
June 30, 2022 and 2021

Note 16 - Fair value measurement

YWCA USA has determined the fair value of certain assets through FASB Accounting Standards Codification ("FASB ASC") Topic 820, *Fair Value Measurement*. Fair values of assets measured on a recurring basis at June 30, 2022 and 2021 are as follows:

June 30, 2022	Fair value	Net asset value	Fair value measurements at reporting date using:		
			Quoted prices in active markets for identical assets/liabilities (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Assets</b>					
Equity securities - domestic	\$ 9,825,719	\$ -	\$ 9,825,719	\$ -	\$ -
Equity securities - foreign	855,625	-	855,625	-	-
Equities - mutual funds and ETFs	27,355,895	-	27,355,895	-	-
Fixed income - U.S. Treasury notes	2,711,623	-	-	2,711,623	-
Fixed income - U.S. Government agency notes	149,327	-	-	149,327	-
Fixed income - corporate bonds	4,485,409	-	-	4,485,409	-
Fixed Income - mutual funds and ETFs	18,544,398	-	18,544,398	-	-
Real estate funds	808,713	-	808,713	-	-
Alternative investment	2,938,540	2,938,540	-	-	-
<b>Total assets</b>	<b>\$ 67,675,249</b>	<b>\$ 2,938,540</b>	<b>\$ 57,390,350</b>	<b>\$ 7,346,359</b>	<b>\$ -</b>
<b>Liabilities</b>					
Payable to beneficiaries	\$ 163,488	\$ -	\$ -	\$ 163,488	\$ -
<b>June 30, 2021</b>					
<b>Assets</b>					
Equity securities - domestic	\$ 10,827,590	\$ -	\$ 10,827,590	\$ -	\$ -
Equity securities - foreign	134,550	-	134,550	-	-
Equities - mutual funds and ETFs	35,567,391	-	35,567,391	-	-
Fixed income - U.S. Treasury notes	2,977,062	-	-	2,977,062	-
Fixed income - U.S. Government agency notes	360,011	-	-	360,011	-
Fixed income - corporate bonds	8,915,482	-	-	8,915,482	-
Fixed Income - mutual funds and ETFs	4,608,023	-	4,608,023	-	-
Real estate funds	1,015,799	-	1,015,799	-	-
Alternative investment	3,063,178	3,063,178	-	-	-
<b>Total assets</b>	<b>\$ 67,469,086</b>	<b>\$ 3,063,178</b>	<b>\$ 52,153,353</b>	<b>\$ 12,252,555</b>	<b>\$ -</b>
<b>Liabilities</b>					
Payable to beneficiaries	\$ 87,622	\$ -	\$ -	\$ 87,622	\$ -

The FASB ASC Topic 820 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and provide the highest quality inputs; Level 2 inputs are based primarily on quoted prices for identical assets in inactive markets or similar assets in active or inactive markets or other significant market observable inputs; Level 3 inputs provide the lowest quality inputs because there are no significant observable inputs. YWCA USA uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, YWCA USA measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. There have been no changes in the valuation methodologies used during the current year. All assets have been valued using a market approach.

Under ASU 2015-07, investments that are measured at fair value using NAV as a practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statements of financial position.

**YWCA USA, Inc.**

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The alternative investments consist of private investment funds, which meet the criteria under GAAP for investments that calculate net asset value per share. Inputs include the underlying equity in private investment funds, subscription and redemption rights, expected discounted cash flows, transactions in the secondary market, bids received from potential buyers, and overall market conditions in its determination of fair value.

**Note 17 - Commitments**

YWCA USA leased office space in Washington, DC under an amended lease that had an expiration date of November 30, 2021. In February 2020, YWCA USA elected to terminate the agreement effective September 1, 2020 and entered into a new agreement for office space in Washington, DC. The lease term is September 1, 2020 to August 31, 2031. The lease contains a clause for additional rent payments in lieu of YWCA USA's pro rata share of operating expenses and real estate taxes. In October 2020, YWCA USA signed an amendment to the lease which abates rent for the first 22 months of the lease agreement.

Minimum rental payments on an annual basis are as follows:

<u>Year ending June 30,</u>	
2023	\$ 363,294
2024	372,377
2025	381,686
2026	391,228
2027	401,009
Thereafter	<u>1,780,899</u>
	<u>\$ 3,690,493</u>

Rent expense for the years ended June 30, 2022 and 2021 was \$470,054 and \$389,319, respectively.

In September 2013, YWCA USA entered into an indemnification agreement, whereby YWCA USA has a total indemnification obligation up to \$750,000. No claims for indemnification have been made under this agreement through the date these financial statements were available to be issued and no amounts have been recorded in these financial statements related to any potential indemnification obligation.

In October 2021, YWCA USA signed an agreement with its Chief Executive Officer that covers the period January 3, 2022 (the "effective date") through January 2, 2027. The agreement states that if she is terminated without just cause, YWCA USA will continue to pay her base salary for six months. If she is terminated on or before the fourth anniversary of the effective date, YWCA USA will continue to pay her base salary for nine months. If she is terminated on or before the fifth anniversary of the effective date, YWCA USA will continue to pay her base salary for 12 months.

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**Note 18 - Risks and uncertainties**

YWCA USA invests in a variety of investment vehicles, including, but not limited to U.S. and international mutual funds and exchange-traded funds, equity securities, fixed income securities, and other investments. 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 the investment balances.

The spread of a novel strain of the coronavirus ("COVID-19") has caused significant business disruptions in the United States beginning in the first quarter of 2020. The economic impact of the business disruptions caused by COVID-19 is uncertain. The extent of any effects these disruptions may have on the operations and financial position of YWCA USA will depend on future developments, which cannot be determined at this time.

**Note 19 - Subsequent events**

Events that occur after the statement of financial position date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. Management evaluated the activity of YWCA USA through November 18, 2022 (the date the financial statements were available to be issued) and concluded the following subsequent event be disclosed in the notes to the financial statements.

On July 22, 2022, the sale of the Leadership Development Center facility was executed consistent with the terms of the Real Estate Purchase and Sale Agreement (see Note 7).



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