

**YWCA USA, Inc.**  
**Financial Statements  
and Independent Auditor's Report**  
**June 30, 2023 and 2022**

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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, 2023 and 2022, 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 financial position of YWCA USA, Inc. as of June 30, 2023 and 2022, 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 17, 2023

**YWCA USA, Inc.**

**Statements of Financial Position  
June 30, 2023 and 2022**

Assets

	<u>2023</u>	<u>2022</u>
Current assets		
Cash and cash equivalents	\$ 13,384,828	\$ 7,117,020
Accounts receivable, net	666,288	615,072
Pledges receivable, net	662,181	1,242,500
Loans receivable, current portion	129,854	274,815
Prepaid expenses	<u>364,616</u>	<u>321,819</u>
Total current assets	<u>15,207,767</u>	<u>9,571,226</u>
Investments	63,885,952	67,675,249
Property and equipment, net	227,289	278,368
Property held for sale	-	1,555,701
Operating lease right-of-use asset	2,548,953	-
Loans receivable, net of current portion	12,222	157,631
Deposits	<u>37,020</u>	<u>37,020</u>
	<u>\$ 81,919,203</u>	<u>\$ 79,275,195</u>
<u>Liabilities and Net Assets</u>		
Current liabilities		
Accounts payable and accrued expenses	\$ 1,063,001	\$ 1,407,758
Payable to beneficiaries	164,669	163,488
Deferred lease incentive, current portion	-	6,313
Deferred revenue	2,838	-
Operating lease liability, current portion	<u>290,940</u>	<u>-</u>
Total current liabilities	<u>1,521,448</u>	<u>1,577,559</u>
Long-term liabilities		
Deferred rent, net of current portion	-	346,844
Deferred lease incentive, net of current portion	-	51,553
Operating lease liability, net of current portion	<u>2,657,880</u>	<u>-</u>
Total long-term liabilities	<u>2,657,880</u>	<u>398,397</u>
Total liabilities	<u>4,179,328</u>	<u>1,975,956</u>
Net assets		
Without donor restrictions	62,139,797	61,172,916
With donor restrictions	<u>15,600,078</u>	<u>16,126,323</u>
Total net assets	<u>77,739,875</u>	<u>77,299,239</u>
	<u>\$ 81,919,203</u>	<u>\$ 79,275,195</u>

See Notes to Financial Statements.

**YWCA USA, Inc.**

**Statement of Activities and Change in Net Assets  
Year Ended June 30, 2023**

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Support and revenue			
Contributions and bequests	\$ 3,289,015	\$ 3,574,713	\$ 6,863,728
Investment income, net of expenses	4,805,158	881,130	5,686,288
Support fees	3,027,755	-	3,027,755
Change in value of split-interest agreements	-	(15,602)	(15,602)
Contributions of nonfinancial assets	70,975	-	70,975
Sponsorship and registration income	235,300	-	235,300
Other income	15,000	-	15,000
Gain on sale of property	3,503,514	-	3,503,514
Net assets released from restrictions	4,966,486	(4,966,486)	-
	<u>19,913,203</u>	<u>(526,245)</u>	<u>19,386,958</u>
Total support and revenue			
Expenses			
Program services			
Advocacy	1,452,616	-	1,452,616
Communications	473,979	-	473,979
Local initiatives	11,876,969	-	11,876,969
Global initiatives	335,307	-	335,307
	<u>14,138,871</u>	<u>-</u>	<u>14,138,871</u>
Total program services			
Supporting services			
Management and general administrative	2,931,292	-	2,931,292
Fundraising	1,876,159	-	1,876,159
	<u>4,807,451</u>	<u>-</u>	<u>4,807,451</u>
Total supporting services			
Total expenses	<u>18,946,322</u>	<u>-</u>	<u>18,946,322</u>
Change in net assets	966,881	(526,245)	440,636
Net assets, beginning of year	<u>61,172,916</u>	<u>16,126,323</u>	<u>77,299,239</u>
Net assets, end of year	<u>\$ 62,139,797</u>	<u>\$ 15,600,078</u>	<u>\$ 77,739,875</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
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)	-
Total support and revenue	<u>1,234,751</u>	<u>(2,653,928)</u>	<u>(1,419,177)</u>
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
Total program services	<u>13,210,177</u>	<u>-</u>	<u>13,210,177</u>
Supporting services			
Management and general administrative	2,154,282	-	2,154,282
Fundraising	1,459,388	-	1,459,388
Total supporting services	<u>3,613,670</u>	<u>-</u>	<u>3,613,670</u>
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 Functional Expenses  
Year Ended June 30, 2023**

	Program services					Support services			
	Advocacy	Communications	Local Initiatives	Global Initiatives	Total	Management and general administrative	Fundraising	Total	Total
Salaries and benefits	\$ 658,022	\$ 165,588	\$ 1,929,693	\$ 36,155	\$ 2,789,458	\$ 1,105,830	\$ 428,701	\$ 1,534,531	\$ 4,323,989
Travel, meetings and related	45,187	7,854	606,621	30,517	690,179	54,500	44,898	99,398	789,577
Professional fees	495,832	235,467	2,000,329	25,294	2,756,922	1,424,233	875,799	2,300,032	5,056,954
Stipends	1,010	-	113,381	-	114,391	-	-	-	114,391
Printing and printed materials	395	9,887	19,712	37	30,031	1,058	631	1,689	31,720
Communications	3,761	6,447	17,321	354	27,883	10,056	5,995	16,051	43,934
Office supplies and postage	5,047	1,157	16,249	284	22,737	8,038	4,792	12,830	35,567
Rent and utilities	42,987	16,551	198,009	4,051	261,598	114,965	68,534	183,499	445,097
Insurance	2,797	1,077	13,011	263	17,148	7,482	5,423	12,905	30,053
Computer, equipment and maintenance	14,390	12,299	114,303	1,356	142,348	38,484	85,248	123,732	266,080
Membership and support	3,260	-	73,323	-	76,583	-	-	-	76,583
Awards and grants	107,833	-	6,504,775	25,000	6,637,608	-	218,750	218,750	6,856,358
World YWCA allocation	-	-	-	207,815	207,815	-	-	-	207,815
Miscellaneous	63,742	14,436	231,768	3,394	313,340	128,116	124,072	252,188	565,528
Depreciation and amortization	8,353	3,216	38,474	787	50,830	38,530	13,316	51,846	102,676
<b>Total expenses by function</b>	<b>\$ 1,452,616</b>	<b>\$ 473,979</b>	<b>\$ 11,876,969</b>	<b>\$ 335,307</b>	<b>\$ 14,138,871</b>	<b>\$ 2,931,292</b>	<b>\$ 1,876,159</b>	<b>\$ 4,807,451</b>	<b>\$ 18,946,322</b>

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.**

**Statements of Cash Flows  
Years Ended June 30, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities		
Change in net assets	\$ 440,636	\$ (18,243,024)
Adjustments to reconcile change in net assets to net cash used in operating activities		
Realized and unrealized (gains) losses on investments	(4,228,456)	11,643,229
Depreciation and amortization	102,676	354,707
Amortization of operating lease right-of-use asset	268,872	-
(Gain) loss on sale/disposal of property and equipment	(3,503,514)	9,017
Change in value of split-interest agreements	15,602	69,269
Amortization of discount on pledges receivable	-	(3,077)
Bad debt recovery - accounts receivable	(3,396)	(2,512)
Bad debt expense - pledges receivable	37,500	42,500
Forgiveness of Paycheck Protection Program loan and interest	-	(595,852)
Change in		
Accounts receivable	(47,820)	(212,904)
Pledges receivable	542,819	3,890,165
Prepaid expenses	(42,797)	(94,474)
Accounts payable and accrued expenses	(360,359)	(387,338)
Payable to beneficiaries	1,181	75,866
Deferred rent	-	187,544
Deferred lease incentive	-	(6,312)
Deferred revenue	2,838	-
Operating lease liability	(273,715)	-
Net cash used in operating activities	<u>(7,047,933)</u>	<u>(3,273,196)</u>
Cash flows from investing activities		
Proceeds from repayment of loans	290,370	234,982
Purchases of property and equipment	(35,408)	(32,650)
Proceeds from sale of property and equipment	5,043,026	-
Purchases of investments	(16,803,520)	(35,149,889)
Proceeds from sale/maturity of investments	<u>24,821,273</u>	<u>23,300,497</u>
Net cash provided by (used in) investing activities	<u>13,315,741</u>	<u>(11,647,060)</u>
Net increase (decrease) in cash and cash equivalents	6,267,808	(14,920,256)
Cash and cash equivalents, beginning of year	<u>7,117,020</u>	<u>22,037,276</u>
Cash and cash equivalents, end of year	<u>\$ 13,384,828</u>	<u>\$ 7,117,020</u>
Noncash financing activity		
Forgiveness of Paycheck Protection Program loan and interest	<u>\$ -</u>	<u>\$ 595,852</u>

See Notes to Financial Statements.

## YWCA USA, Inc.

### Notes to Financial Statements June 30, 2023 and 2022

#### 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, 2023 and 2022. Tax years prior to 2020 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, 2023 and 2022

#### **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, 2023 was approximately \$6,459,000.

#### **Accounts receivable**

Accounts receivable includes trade accounts receivable and interest receivable on investments. Trade accounts receivable totaled \$592,119 and \$567,580, respectively, at June 30, 2023 and 2022. 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 \$15,785 and \$19,181 at June 30, 2023 and 2022, respectively. Bad debt recovery related to accounts receivable was (\$3,396) and (\$2,512), respectively, for the years ended June 30, 2023 and 2022.

#### **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 \$0 and \$37,500 at June 30, 2023 and 2022, respectively. Bad debt expense related to pledges receivable was \$37,500 and \$42,500, respectively, for the years ended June 30, 2023 and 2022.

#### **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, 2023 and 2022

Based on management's evaluation of the collectability of loans receivable, the allowance for doubtful accounts was \$0 at June 30, 2023 and 2022. Bad debt expense related to loans receivable was \$0 for the years ended June 30, 2023 and 2022.

#### **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 \$89,954 and \$66,673, respectively, as of June 30, 2023 and 2022.

#### **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 11 years, on a straight-line basis. Leasehold improvements are amortized over the shorter of the useful life or the term of the lease.

#### **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, 2023 and 2022, 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.

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

**YWCA USA, Inc.**

**Notes to Financial Statements  
June 30, 2023 and 2022**

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 \$49,999,308 and \$47,533,113, respectively, at June 30, 2023 and 2022.

**Board-Designated Real Estate Investment Fund** - Represents assets that have been internally designated by the Board of Directors for evaluating and supporting the facility and real estate needs of member associations. Board-designated real estate investment net assets totaled \$5,043,026 and \$0, respectively, at June 30, 2023 and 2022.

*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, 2023 and 2022

#### **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.

#### **Accounting pronouncements adopted**

Effective July 1, 2022, YWCA USA adopted Accounting Standards Update ("ASU") 2016-02 (as amended), *Leases* ("Topic 842"). Under Topic 842, a lessee determines if an arrangement contains a lease at inception based on whether the lessee has the right to control the asset during the contract period and other facts and circumstances. YWCA USA has determined that its signed agreement for office space fits the criteria under Topic 842. Under Topic 842, a right-of-use asset and operating lease liability are recognized based on the present value of lease payments over the lease term, where the initial term of the lease exceeds twelve months, using an appropriate discount rate. As the rate implicit in the lease is generally not readily determinable, YWCA USA has elected to use a risk-free rate as the discount rate. The operating lease liability is reduced as cash payments are made under the terms of the lease. Interest is charged to rent expense for the difference. The operating lease right-of-use asset is amortized over the lease term and reflected as rent and utilities expense in the accompanying financial statements. Lease expense is recognized on a straight-line basis over the term of the lease. Unless YWCA USA determines that it is reasonably certain that the term of a lease will be terminated early or extended through a renewal option, the term of a lease spans for the duration of the minimum noncancellable contractual term. There are no residual value guarantees.

YWCA USA has elected not to restate comparative periods and has elected the practical expedient to apply the provisions of Topic 842 at the adoption date instead of applying them to the earliest comparative period presented in the financial statements. YWCA USA elected to apply the package of practical expedients available upon adoption of ASC 842. YWCA USA will not reassess whether any expired or existing contracts are or contain leases or the classification of the identified leases. All existing agreements classified as operating and capital leases as of the effective date are in scope of ASC 842 and meet the definition of a lease.

The adoption of Topic 842 has been applied effective July 1, 2022. On July 1, 2022, YWCA USA recognized an operating lease right-of-use asset of \$2,817,825 and an operating lease liability of \$3,222,535 in connection with transitioning to Topic 842. The adoption of Topic 842 also resulted in a decrease of \$404,710 in deferred rent and deferred lease incentives, which was reclassified to the operating lease right-of-use asset upon adoption. The adoption of Topic 842 did not have a material impact on the YWCA USA's results of operations or cash flows.

#### **Subsequent events**

YWCA USA has evaluated events and transactions for potential recognition or disclosure through November 17, 2023, the date the financial statements were available to be issued.

**YWCA USA, Inc.**

**Notes to Financial Statements  
June 30, 2023 and 2022**

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

The following table reflects YWCA USA's financial assets as of June 30, 2023 and 2022, 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>2023</u>	<u>2022</u>
Financial assets		
Cash and cash equivalents	\$ 13,384,828	\$ 7,117,020
Accounts and pledges receivable, net	1,328,469	1,857,572
Loans receivable	142,076	432,446
Investments	<u>63,885,952</u>	<u>67,675,249</u>
	<u>78,741,325</u>	<u>77,082,287</u>
Less those unavailable for general expenditure within one year due to		
Cash and cash equivalents subject to donor restrictions	(5,309,264)	(6,305,321)
Cash and cash equivalents designated by the Board of Directors for specific purposes	(6,368,089)	(301,662)
Time and donor restricted pledges receivable	(662,181)	(870,000)
Noncurrent portion of loans receivable	(12,222)	(157,631)
Investments representing split-interest agreements	(781,788)	(746,648)
Investments subject to donor restrictions	(8,846,845)	(8,204,354)
Investments designated by the Board of Directors for specific purposes (net of amounts appropriated for expenditure)	<u>(50,699,595)</u>	<u>(49,295,315)</u>
	<u>(72,679,984)</u>	<u>(65,880,931)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 6,061,341</u>	<u>\$ 11,201,356</u>

YWCA USA maintains a \$3,000,000 revolving line of credit, as discussed in Note 13. The amount outstanding on the line of credit was \$0 at June 30, 2023 and 2022.



**YWCA USA, Inc.**

**Notes to Financial Statements  
June 30, 2023 and 2022**

**Note 3 - Pledges receivable**

Pledges receivable at June 30, 2023 and 2022 consist of the following:

	<u>2023</u>	<u>2022</u>
Pledges receivable in less than one year	\$ 662,181	\$ 1,280,000
Pledges receivable in one to five years	-	-
Less allowance for doubtful accounts	-	(37,500)
	<u>          </u>	<u>          </u>
Total pledges receivable	<u>\$ 662,181</u>	<u>\$ 1,242,500</u>

**Note 4 - Loans receivable**

Loans receivable at June 30, 2023 and 2022 consist of the following:

	<u>2023</u>	<u>2022</u>
Loans receivable in less than one year	\$ 129,854	\$ 274,815
Loans receivable in one to five years	12,222	157,631
	<u>          </u>	<u>          </u>
Total loans receivable	<u>\$ 142,076</u>	<u>\$ 432,446</u>

**Note 5 - Investments**

Investments at June 30, 2023 and 2022, which include split-interest agreements, consist of the following:

	<u>2023</u>	<u>2022</u>
Equity securities - domestic	\$ 10,093,683	\$ 9,825,719
Equity securities - foreign	1,008,465	855,625
Equities - mutual funds and ETFs	28,940,386	27,355,895
Fixed income - U.S. Treasury notes	2,072,081	2,711,623
Fixed income - U.S. Government agency notes	145,469	149,327
Fixed income - corporate bonds	3,563,410	4,485,409
Fixed income - mutual funds and ETFs	14,038,892	18,544,398
Real estate funds	1,073,645	808,713
Alternative investments	2,949,921	2,938,540
	<u>          </u>	<u>          </u>
	<u>\$ 63,885,952</u>	<u>\$ 67,675,249</u>

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

**YWCA USA, Inc.**

**Notes to Financial Statements  
June 30, 2023 and 2022**

("FASB ASC") Topic 820, *Fair Value Measurement*. As of June 30, 2023 and 2022, there are no unfunded commitments.

Investment income (loss) consists of the following:

	<u>2023</u>	<u>2022</u>
Interest and dividends	\$ 1,691,436	\$ 1,384,578
Unrealized gains (losses) on investments	4,145,270	(15,264,840)
Realized gains on investments	<u>83,186</u>	<u>3,621,611</u>
	5,919,892	(10,258,651)
Less investment fees	<u>(233,604)</u>	<u>(270,984)</u>
	<u>\$ 5,686,288</u>	<u>\$ (10,529,635)</u>

**Note 6 - Property and equipment**

Property and equipment at June 30, 2023 and 2022 consist of the following:

	<u>2023</u>	<u>2022</u>
Leasehold improvements	\$ 73,041	\$ 73,041
Office furniture and equipment	<u>817,038</u>	<u>842,264</u>
	890,079	915,305
Less accumulated depreciation and amortization	<u>(662,790)</u>	<u>(636,937)</u>
	<u>\$ 227,289</u>	<u>\$ 278,368</u>

Depreciation and amortization expense totaled \$102,676 and \$354,707 for the years ended June 30, 2023 and 2022, respectively.

**Note 7 - Gain on sale of property**

YWCA USA owned a Leadership Development Center facility. 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. Accordingly, as of June 30, 2022, the facility's land and building improvements were shown as property held for sale on the statements of financial position.

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. The net proceeds from the sale were \$5,043,026 and the carrying amount of the facility and related land at the time of closing was \$1,539,512, resulting in a gain on the sale of \$3,503,514 for the year ended June 30, 2023.

**YWCA USA, Inc.**

**Notes to Financial Statements  
June 30, 2023 and 2022**

**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, 2023 and 2022 was \$721,924 and \$684,620, 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, 2023 and 2022 was \$575,761 and \$552,824, respectively, and was computed using a discount rate of 4.2 percent and 3.6 percent, respectively, for the years ended June 30, 2023 and 2022, 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, 2023 and 2022, the total assets, at fair market value, were \$59,864 and \$62,028, respectively. The actuarial present value of YWCA USA's interest in such funds as of June 30, 2023 and 2022 was \$43,109 and \$43,858, respectively, and was computed using an interest rate of 4.2 percent and 3.6 percent, respectively, for the years ended June 30, 2023 and 2022, 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, 2023 and 2022 consists of the following:

	<u>2023</u>	<u>2022</u>
Payable to beneficiaries	\$ 159,013	\$ 139,793
Payable to member YWCAs	<u>5,656</u>	<u>23,695</u>
	<u>\$ 164,669</u>	<u>\$ 163,488</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 \$3,905 and \$10,173, respectively, due to member YWCAs and grants totaling \$1,751 and \$13,522, respectively, received for member YWCAs, which reflect agency transactions between YWCA USA and member YWCAs.

**YWCA USA, Inc.**

**Notes to Financial Statements  
June 30, 2023 and 2022**

**Note 10 - Operating lease liability**

YWCA USA leases office space in Washington, DC with a term of 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.

Minimum rental payments on an annual basis are as follows:

	<u>Year ending June 30,</u>	
	2024	\$ 372,377
	2025	381,686
	2026	391,228
	2027	401,009
	2028	411,034
	Thereafter	<u>1,369,864</u>
Total		3,327,198
Less: imputed interest		<u>(378,378)</u>
Present value of net minimum lease payments		2,948,820
Less: current liability portion		<u>(290,940)</u>
Long-term liability portion		<u>\$ 2,657,880</u>

Other lease information:

Cash paid for amounts included in the measurement of lease obligation	<u>\$ 363,294</u>
Weighted-average annual discount rate - operating lease	<u>2.88%</u>
Weight-average remaining lease term (years):	<u>8.2</u>

Rent expense for the office lease for the years ended June 30, 2023 and 2022 was \$376,602 and \$364,761, respectively.

**Note 11 - 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.

**YWCA USA, Inc.**

**Notes to Financial Statements  
June 30, 2023 and 2022**

For the years ended June 30, 2023 and 2022, YWCA USA's contributions to the Retirement Fund at a rate of 7.5 percent of compensation, totaled \$198,846 and \$156,140, respectively.

**Note 12 - Contributions of nonfinancial assets**

YWCA USA received the following contributions of nonfinancial assets for the years ended June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Contributed professional services	\$ 37,500	\$ 42,000
Contributed goods	<u>33,475</u>	<u>80,000</u>
	<u>\$ 70,975</u>	<u>\$ 122,000</u>

The contributed professional services and goods expenses are presented as professional fees on the statements of functional expenses. For the years ended June 30, 2023 and 2022, 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 13 - 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 9, 2024. 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, 2023 and 2022. Interest expense was \$0 for each of the years ended June 30, 2023 and 2022.

**Note 14 - 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 \$595,852 loan and interest and recognized corresponding revenue. There is a six-year period during which the SBA can review YWCA USA's forgiveness calculation.

**YWCA USA, Inc.**

**Notes to Financial Statements  
June 30, 2023 and 2022**

**Note 15 - Net assets**

As of June 30, 2023 and 2022, net assets with donor restrictions are restricted for the following purposes or periods.

Subject to expenditure for specified purpose:

	<u>2023</u>	<u>2022</u>
Scholarships	\$ 788,722	\$ 684,744
Domestic training	3,515,013	4,933,927
International training	808,021	684,450
International travel	771,141	654,249
World service council	201,085	101,198
Split-interest agreements	578,190	543,726
Racial justice	1,589,948	1,106,214
Other	<u>747,399</u>	<u>817,256</u>
	<u>8,999,519</u>	<u>9,525,764</u>

Endowments:

	<u>2023</u>	<u>2022</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>\$ 15,600,078</u>	<u>\$ 16,126,323</u>

For the years ended June 30, 2023 and 2022, net assets were released from donor restrictions by incurring expenses satisfying the purpose restrictions specified by donors as follows:

	<u>2023</u>	<u>2022</u>
Domestic training	\$ 3,528,938	\$ 2,415,592
International training	52,325	50,010
World Service Council	25,000	81,000
Split-interest agreements	31,651	-
Racial justice	672,948	576,385
Other	<u>655,624</u>	<u>36,300</u>
	<u>\$ 4,966,486</u>	<u>\$ 3,159,287</u>

## YWCA USA, Inc.

### Notes to Financial Statements June 30, 2023 and 2022

#### Note 16 - 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;
- (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, 2023 and 2022.

#### 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

**YWCA USA, Inc.**

**Notes to Financial Statements  
June 30, 2023 and 2022**

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 adopted a policy of budgeting for distribution of five percent for the years ended June 30, 2023 and 2022, 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, 2023 and 2022 was as follows:

June 30, 2023	Without donor restrictions	With donor restrictions	Total
Donor-restricted endowment funds	\$ -	\$ 9,870,154	\$ 9,870,154
Board-designated endowment funds	55,042,334	-	55,042,334
	<u>\$ 55,042,334</u>	<u>\$ 9,870,154</u>	<u>\$ 64,912,488</u>
<b>June 30, 2022</b>			
Donor-restricted endowment funds	\$ -	\$ 9,293,351	\$ 9,293,351
Board-designated endowment funds	47,533,113	-	47,533,113
	<u>\$ 47,533,113</u>	<u>\$ 9,293,351</u>	<u>\$ 56,826,464</u>



**YWCA USA, Inc.**

**Notes to Financial Statements  
June 30, 2023 and 2022**

Changes in endowment net assets for the years ended June 30, 2023 and 2022 were as follows:

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</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>(96,980)</u>	<u>(2,106,196)</u>
Endowment net assets, June 30, 2022	47,533,113	9,293,351	56,826,464
Contributions	35,799	-	35,799
Investment income			
Interest and dividends	1,190,860	236,583	1,427,443
Realized and unrealized gains	3,518,833	564,719	4,083,552
Investment fees	<u>(215,434)</u>	<u>-</u>	<u>(215,434)</u>
Total investment income, net	4,494,259	801,302	5,295,561
Appropriation for expenditure	<u>(2,063,863)</u>	<u>(224,499)</u>	<u>(2,288,362)</u>
Endowment net assets, June 30, 2023	<u>\$ 49,999,308</u>	<u>\$ 9,870,154</u>	<u>\$ 59,869,462</u>

**YWCA USA, Inc.**

**Notes to Financial Statements  
June 30, 2023 and 2022**

**Note 17 - 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, 2023 and 2022 are as follows:

June 30, 2023	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	\$ 10,093,683	\$ -	\$ 10,093,683	\$ -	\$ -
Equity securities - foreign	1,008,465	-	1,008,465	-	-
Equities - mutual funds and ETFs	28,940,386	-	28,940,386	-	-
Fixed income - U.S. Treasury notes	2,072,081	-	-	2,072,081	-
Fixed income - U.S. Government agency notes	145,469	-	-	145,469	-
Fixed income - corporate bonds	3,563,410	-	-	3,563,410	-
Fixed Income - mutual funds and ETFs	14,038,892	-	14,038,892	-	-
Real estate funds	1,073,645	-	1,073,645	-	-
Alternative investments	2,949,921	2,949,921	-	-	-
<b>Total assets</b>	<b>\$ 63,885,952</b>	<b>\$ 2,949,921</b>	<b>\$ 55,155,071</b>	<b>\$ 5,780,960</b>	<b>\$ -</b>
<b>Liabilities</b>					
Payable to beneficiaries	\$ 164,669	\$ -	\$ -	\$ 164,669	\$ -
<b>June 30, 2022</b>					
<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 investments	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	\$ -

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.

### Notes to Financial Statements June 30, 2023 and 2022

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 18 - Commitments**

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.

YWCA USA has employment agreements with two key members of management, which provide for salary if terminated without just cause.

#### **Note 19 - 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.



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