

YWCA USA, Inc.
**Financial Statements
and Independent Auditor's Report**
June 30, 2024 and 2023

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, 2024 and 2023, 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, 2024 and 2023, 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 22, 2024

YWCA USA, Inc.

**Statements of Financial Position
June 30, 2024 and 2023**

Assets

	2024	2023
Current assets		
Cash and cash equivalents	\$ 5,522,436	\$ 13,384,828
Accounts receivable, net	823,211	666,288
Pledges receivable, net	23,075	662,181
Loans receivable, current portion	529,111	129,854
Prepaid expenses	516,405	364,616
Total current assets	<u>7,414,238</u>	<u>15,207,767</u>
Investments	69,890,655	63,885,952
Property and equipment, net	192,413	227,289
Operating lease right-of-use asset	2,271,941	2,548,953
Loans receivable, net of current portion	-	12,222
Deposits	37,020	37,020
	<u>\$ 79,806,267</u>	<u>\$ 81,919,203</u>

Liabilities and Net Assets

Current liabilities		
Accounts payable and accrued expenses	\$ 2,068,037	\$ 1,063,001
Payable to beneficiaries	170,701	164,669
Deferred revenue	314	2,838
Operating lease liability, current portion	308,897	290,940
Total current liabilities	<u>2,547,949</u>	<u>1,521,448</u>
Long-term liabilities		
Operating lease liability, net of current portion	2,348,984	2,657,880
Total long-term liabilities	<u>2,348,984</u>	<u>2,657,880</u>
Total liabilities	<u>4,896,933</u>	<u>4,179,328</u>
Net assets		
Without donor restrictions	60,464,156	62,139,797
With donor restrictions	14,445,178	15,600,078
Total net assets	<u>74,909,334</u>	<u>77,739,875</u>
	<u>\$ 79,806,267</u>	<u>\$ 81,919,203</u>

See Notes to Financial Statements.

YWCA USA, Inc.

**Statement of Activities and Change in Net Assets
Year Ended June 30, 2024**

	Without donor restrictions	With donor restrictions	Total
Support and revenue			
Contributions and bequests	\$ 2,437,357	\$ 2,423,601	\$ 4,860,958
Investment income, net of expenses	6,429,608	1,126,624	7,556,232
Support fees	3,178,911	-	3,178,911
Change in value of split-interest agreements	-	(5,810)	(5,810)
Contributions of nonfinancial assets	15,671	-	15,671
Sponsorship and registration income	215,305	-	215,305
Other income	102,207	-	102,207
Loss on disposal of property and equipment	(119)	-	(119)
Net assets released from restrictions	4,699,315	(4,699,315)	-
Total support and revenue	17,078,255	(1,154,900)	15,923,355
Expenses			
Program services			
Advocacy	1,570,293	-	1,570,293
Communications	1,031,047	-	1,031,047
Local initiatives	9,395,094	-	9,395,094
Global initiatives	516,970	-	516,970
Total program services	12,513,404	-	12,513,404
Supporting services			
Management and general administrative	3,496,620	-	3,496,620
Fundraising	2,743,872	-	2,743,872
Total supporting services	6,240,492	-	6,240,492
Total expenses	18,753,896	-	18,753,896
Change in net assets	(1,675,641)	(1,154,900)	(2,830,541)
Net assets, beginning of year	62,139,797	15,600,078	77,739,875
Net assets, end of year	\$ 60,464,156	\$ 14,445,178	\$ 74,909,334

See Notes to Financial Statements.

YWCA USA, Inc.

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

	Without donor restrictions	With donor restrictions	Total
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)	-
Total support and revenue	19,913,203	(526,245)	19,386,958
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
Total program services	14,138,871	-	14,138,871
Supporting services			
Management and general administrative	2,931,292	-	2,931,292
Fundraising	1,876,159	-	1,876,159
Total supporting services	4,807,451	-	4,807,451
Total expenses	18,946,322	-	18,946,322
Change in net assets	966,881	(526,245)	440,636
Net assets, beginning of year	61,172,916	16,126,323	77,299,239
Net assets, end of year	\$ 62,139,797	\$ 15,600,078	\$ 77,739,875

See Notes to Financial Statements.

YWCA USA, Inc.

**Statement of Functional Expenses
Year Ended June 30, 2024**

	Program services					Support services			
	Advocacy	Communications	Local Initiatives	Global Initiatives	Total	Management and general administrative	Fundraising	Total	Total
Salaries and benefits	\$ 699,806	\$ 607,100	\$ 3,112,564	\$ -	\$ 4,419,470	\$ 2,353,107	\$ 1,178,707	\$ 3,531,814	\$ 7,951,284
Travel, meetings and related	60,475	47,821	1,218,547	86,430	1,413,273	113,042	145,496	258,538	1,671,811
Professional fees	548,886	212,774	1,079,311	7,639	1,848,610	647,264	649,937	1,297,201	3,145,811
Stipends	20,676	-	6,155	-	26,831	20	45	65	26,896
Marketing and advertising	39	4,071	11,127	-	15,237	131	1,591	1,722	16,959
Printing and printed materials	944	3,872	12,153	212	17,181	2,661	4,492	7,153	24,334
Communications	762	662	3,394	-	4,818	2,554	1,289	3,843	8,661
Office supplies and postage	2,298	18,869	26,906	2,655	50,728	5,512	8,776	14,288	65,016
Rent and utilities	38,929	33,774	173,327	-	246,030	130,430	65,877	196,307	442,337
Insurance	1,658	1,438	7,506	-	10,602	5,554	2,823	8,377	18,979
Computer, equipment and maintenance	1,543	1,339	7,710	-	10,592	5,170	2,611	7,781	18,373
Membership and support	50,560	1,846	29,700	62	82,168	4,985	19,072	24,057	106,225
Awards and grants	17,500	-	3,296,881	167,651	3,482,032	-	-	-	3,482,032
Professional development	22,939	5,717	64,369	-	93,025	5,959	7,745	13,704	106,729
World YWCA allocation	-	-	-	252,321	252,321	-	-	-	252,321
Charitable registration and taxes	-	-	175	-	175	(32,044)	-	(32,044)	(31,869)
Subscriptions	95,937	85,395	300,913	-	482,245	215,496	642,989	858,485	1,340,730
Credit losses	-	-	-	-	-	8,184	-	8,184	8,184
In-kind expenses	-	-	11,671	-	11,671	4,000	-	4,000	15,671
Depreciation and amortization	7,341	6,369	32,685	-	46,395	24,595	12,422	37,017	83,412
Total expenses by function	<u>\$ 1,570,293</u>	<u>\$ 1,031,047</u>	<u>\$ 9,395,094</u>	<u>\$ 516,970</u>	<u>\$ 12,513,404</u>	<u>\$ 3,496,620</u>	<u>\$ 2,743,872</u>	<u>\$ 6,240,492</u>	<u>\$ 18,753,896</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
Total expenses by function	<u>\$ 1,452,616</u>	<u>\$ 473,979</u>	<u>\$ 11,876,969</u>	<u>\$ 335,307</u>	<u>\$ 14,138,871</u>	<u>\$ 2,931,292</u>	<u>\$ 1,876,159</u>	<u>\$ 4,807,451</u>	<u>\$ 18,946,322</u>

See Notes to Financial Statements.

YWCA USA, Inc.

Statements of Cash Flows
Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities		
Change in net assets	\$ (2,830,541)	\$ 440,636
Adjustments to reconcile change in net assets to net cash used in operating activities		
Realized and unrealized gains on investments	(5,729,232)	(4,228,456)
Depreciation and amortization	83,412	102,676
Amortization of operating lease right-of-use asset	277,012	268,872
Loss (gain) on sale/disposal of property and equipment	119	(3,503,514)
Change in value of split-interest agreements	5,810	15,602
Credit losses (recovery) - accounts receivable	8,184	(3,396)
Bad debt expense - pledges receivable	-	37,500
Change in		
Accounts receivable	(165,107)	(47,820)
Pledges receivable	639,106	542,819
Prepaid expenses	(151,789)	(42,797)
Accounts payable and accrued expenses	999,226	(360,359)
Payable to beneficiaries	6,032	1,181
Deferred revenue	(2,524)	2,838
Operating lease liability	<u>(290,939)</u>	<u>(273,715)</u>
Net cash used in operating activities	<u>(7,151,231)</u>	<u>(7,047,933)</u>
Cash flows from investing activities		
Loans to member YWCAs	(582,000)	-
Proceeds from repayment of loans	194,965	290,370
Purchases of property and equipment	(48,655)	(35,408)
Proceeds from sale of property and equipment	-	5,043,026
Purchases of investments	(66,471,961)	(16,803,520)
Proceeds from sale/maturity of investments	<u>66,196,490</u>	<u>24,821,273</u>
Net cash (used in) provided by investing activities	<u>(711,161)</u>	<u>13,315,741</u>
Net (decrease) increase in cash and cash equivalents	(7,862,392)	6,267,808
Cash and cash equivalents, beginning of year	<u>13,384,828</u>	<u>7,117,020</u>
Cash and cash equivalents, end of year	<u>\$ 5,522,436</u>	<u>\$ 13,384,828</u>

See Notes to Financial Statements.

YWCA USA, Inc.

Notes to Financial Statements June 30, 2024 and 2023

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, 2024 and 2023. Tax years prior to 2021 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, 2024 and 2023

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, 2024 was approximately \$1,732,000.

Accounts receivable

Accounts receivable includes trade accounts receivable and interest receivable on investments. Trade accounts receivable totaled \$713,480 and \$592,119, respectively, at June 30, 2024 and 2023. YWCA USA records accounts receivable net of allowances for credit losses when necessary. The allowance is determined based on a review of the net amount expected to be collected as of the statement of financial position date based on the credit losses expected to arise over the life of the receivable. Uncollectible amounts are charged off against the allowance for credit losses 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 credit losses was \$23,969 and \$15,785 at June 30, 2024 and 2023, respectively. Credit losses (recovery) related to accounts receivable was \$8,184 and (\$3,396), respectively, for the years ended June 30, 2024 and 2023.

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 at June 30, 2024 and 2023. Bad debt expense related to pledges receivable was \$0 and \$37,500, respectively, for the years ended June 30, 2024 and 2023.

Loans receivable

Loans receivable represent loans awarded to member YWCAs. The loans are to be repaid over a period of six months to one year plus extensions and are interest-free to the local associations. YWCA USA records loans receivable net of allowances for doubtful accounts when necessary. The allowance is determined based on a review of the net amount expected to be collected as of the statement of financial position date based on the credit losses expected to arise over the life of the receivable. Uncollectible amounts are charged off against the allowance for credit losses once management determines an account, or a portion thereof, to be uncollectible.

YWCA USA, Inc.

Notes to Financial Statements June 30, 2024 and 2023

Based on management's evaluation of the collectability of loans receivable, the allowance for credit losses was \$0 at June 30, 2024 and 2023. Credit loss expense related to loans receivable was \$0 for the years ended June 30, 2024 and 2023.

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 \$133,700 and \$89,954, respectively, as of June 30, 2024 and 2023.

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.

Impairment of long-lived assets

In accordance with Financial Accounting Standards Board's ("FASB") Accounting Standards Codification ("ASC") Topic 360, *Property, Plant, and Equipment*, long-lived assets, such as property and equipment, are reviewed for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the asset. As of June 30, 2024 and 2023, no impairment exists for long lived 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, 2024 and 2023, 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

YWCA USA, Inc.

Notes to Financial Statements June 30, 2024 and 2023

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 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.

Contract balances

The timing of revenue recognition, billings, and cash collections results in billed receivables (contract assets) and customer advances and deposits (contract liabilities) on the statements of financial position.

As of June 30, 2024, 2023, and 2022, contract balances consist of the following assets and liabilities:

	2024	2023	2022
Accounts receivable, net	\$ 689,511	\$ 576,334	\$ 548,399
Loans receivable	529,111	142,076	432,446
Deferred revenue	314	2,838	-

Leases

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. 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.

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, Inc.

Notes to Financial Statements June 30, 2024 and 2023

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 \$53,796,716 and \$49,999,308, respectively, at June 30, 2024 and 2023.

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 \$5,129,559 and \$5,043,026, respectively, at June 30, 2024 and 2023.

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.

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 pronouncement adopted

Effective July 1, 2023, YWCA USA adopted FASB ASC Topic 326, *Measurement of Credit Losses on Financial Instruments*, and its related amendments. The new standard changes the impairment model for most financial assets that are measured at amortized cost and certain other instruments, including trade receivables, from an incurred loss model to an expected loss model and adds certain new required disclosures. Under the expected loss model, entities will recognize credit losses to be incurred over the entire contractual term of the instrument rather than delaying recognition of credit losses until it is probable the loss has been incurred. Adopting the new standard did not have a material effect on the financial statements.

YWCA USA, Inc.

Notes to Financial Statements June 30, 2024 and 2023

Subsequent events

YWCA USA has evaluated events and transactions for potential recognition or disclosure through November 22, 2024, the date the financial statements were available to be issued.

Note 2 - Liquidity and availability of resources

The following table reflects YWCA USA's financial assets as of June 30, 2024 and 2023, 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:

	2024	2023
Financial assets		
Cash and cash equivalents	\$ 5,522,436	\$ 13,384,828
Accounts and pledges receivable, net	846,286	1,328,469
Loans receivable	529,111	142,076
Investments	69,890,655	63,885,952
	<u>76,788,488</u>	<u>78,741,325</u>
Less those unavailable for general expenditure within one year due to		
Cash and cash equivalents designated by the Board of Directors for specific purposes	(2,972,052)	(6,368,089)
Time and donor restricted pledges receivable	-	(662,181)
Noncurrent portion of loans receivable	-	(12,222)
Investments representing split-interest agreements subject to donor restrictions	(868,065)	(781,788)
Cash and cash equivalents and investments subject to donor restrictions	(13,577,113)	(14,156,109)
Investments designated by the Board of Directors for specific purposes (net of amounts appropriated for expenditure)	(53,884,223)	(46,648,895)
	<u>(71,301,453)</u>	<u>(68,629,284)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 5,487,035</u>	<u>\$ 10,112,041</u>

Investments designated by the Board of Directors are presented net of amounts appropriated by the Board for expenditures for the following fiscal year totaling \$2,070,000 and \$2,025,350 for the years ended June 30, 2024 and 2023, respectively.

YWCA USA, Inc.

Notes to Financial Statements
June 30, 2024 and 2023

Note 3 - Pledges receivable

Pledges receivable at June 30, 2024 and 2023 consist of the following:

	2024	2023
Pledges receivable in less than one year	\$ 23,075	\$ 662,181
Pledges receivable in one to five years	-	-
Total pledges receivable	<u>\$ 23,075</u>	<u>\$ 662,181</u>

Note 4 - Loans receivable

Loans receivable at June 30, 2024 and 2023 consist of the following:

	2024	2023
Loans receivable in less than one year	\$ 529,111	\$ 129,854
Loans receivable in one to five years	-	12,222
Total loans receivable	<u>\$ 529,111</u>	<u>\$ 142,076</u>

Note 5 - Investments

Investments at June 30, 2024 and 2023, which include split-interest agreements, consist of the following:

	2024	2023
Equity securities - domestic	\$ 453,101	\$ 10,093,683
Equity securities - foreign	1,524,926	1,008,465
Equities - mutual funds and ETFs	42,865,310	28,940,386
Fixed income - U.S. Treasury notes	3,841,582	2,072,081
Fixed income - U.S. Government agency notes	149,195	145,469
Fixed income - corporate bonds	3,844,545	3,563,410
Fixed income - mutual funds and ETFs	13,089,066	14,038,892
Real estate funds	1,003,826	1,073,645
Alternative investments	<u>3,119,104</u>	<u>2,949,921</u>
	<u>\$ 69,890,655</u>	<u>\$ 63,885,952</u>

Alternative investments are comprised of an investment in a fund of funds (the "Fund"), which is reported at NAV. 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. NAV per share is calculated based on measurement of all the underlying investments in the Funds in accordance with FASB ASC Topic 820, *Fair Value Measurement*. As of June 30, 2024 and 2023, there are no unfunded commitments.

YWCA USA, Inc.

**Notes to Financial Statements
June 30, 2024 and 2023**

Investment income consists of the following:

	2024	2023
Interest and dividends	\$ 2,068,007	\$ 1,691,436
Unrealized (losses) gains on investments	(248,001)	4,145,270
Realized gains on investments	5,977,233	83,186
	<u>7,797,239</u>	<u>5,919,892</u>
Less investment fees	<u>(241,007)</u>	<u>(233,604)</u>
	<u><u>\$ 7,556,232</u></u>	<u><u>\$ 5,686,288</u></u>

Note 6 - Property and equipment

Property and equipment at June 30, 2024 and 2023 consist of the following:

	2024	2023
Leasehold improvements	\$ 73,041	\$ 73,041
Office furniture and equipment	853,978	817,038
	<u>927,019</u>	<u>890,079</u>
Less accumulated depreciation and amortization	<u>(734,606)</u>	<u>(662,790)</u>
	<u><u>\$ 192,413</u></u>	<u><u>\$ 227,289</u></u>

Depreciation and amortization expense totaled \$83,412 and \$102,676 for the years ended June 30, 2024 and 2023, respectively.

Note 7 - 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, 2024 and 2023 was \$809,113 and \$721,924, 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, 2024 and 2023 was \$654,508 and \$575,761, respectively, and was computed using a discount rate of 4.2 percent for each of the years ended June 30, 2024 and 2023, compounded annually.

YWCA USA, Inc.

Notes to Financial Statements June 30, 2024 and 2023

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, 2024 and 2023, the total assets, at fair market value, were \$58,952 and \$59,864, respectively. The actuarial present value of YWCA USA's interest in such funds as of June 30, 2024 and 2023 was \$42,856 and \$43,109, respectively, and was computed using an interest rate of 4.2 percent for each of the years ended June 30, 2024 and 2023, compounded annually.

Note 8 - 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, 2024 and 2023 consists of the following:

	<u>2024</u>	<u>2023</u>
Payable to beneficiaries	\$ 167,048	\$ 159,013
Payable to member YWCAs	<u>3,653</u>	<u>5,656</u>
	<u>\$ 170,701</u>	<u>\$ 164,669</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 \$3,653 and \$3,905, respectively, due to member YWCAs and grants totaling \$0 and \$1,751, respectively, received for member YWCAs, which reflect agency transactions between YWCA USA and member YWCAs.

Note 9 - 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.

YWCA USA, Inc.

**Notes to Financial Statements
June 30, 2024 and 2023**

Minimum rental payments on an annual basis are as follows:

<u>Year ending June 30,</u>	
2025	\$ 381,686
2026	391,228
2027	401,009
2028	411,034
2029	421,310
Thereafter	<u>948,555</u>
Total	2,954,822
Less: imputed interest	<u>(296,941)</u>
Present value of net minimum lease payments	2,657,881
Less: current liability portion	<u>(308,897)</u>
Long-term liability portion	<u><u>\$ 2,348,984</u></u>

Other lease information:

Cash paid for amounts included in the measurement of lease obligation	<u><u>\$ 381,686</u></u>
Weighted-average annual discount rate - operating lease	<u><u>2.88%</u></u>
Weight-average remaining lease term (years):	<u><u>7.2</u></u>

Rent expense for the office lease for the years ended June 30, 2024 and 2023 was \$372,377 and \$376,602, respectively.

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, 2024 and 2023, YWCA USA's contributions to the Retirement Fund at a rate of 7.5 percent of compensation, totaled \$317,992 and \$198,846, respectively.

YWCA USA has a 403(b) Multiple Employer Plan (the "MEP"). The MEP allows for contributions to the Plan by employees of YWCA USA and employees of local YWCA associations. There were no employer contributions to the MEP for the years ended June 30, 2024 and 2023.

YWCA USA, Inc.

**Notes to Financial Statements
June 30, 2024 and 2023**

Note 11 - Contributions of nonfinancial assets

YWCA USA received the following contributions of nonfinancial assets for the years ended June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Contributed professional services	\$ 4,000	\$ 37,500
Contributed goods	<u>11,671</u>	<u>33,475</u>
	<u>\$ 15,671</u>	<u>\$ 70,975</u>

The contributed professional services and goods expenses are presented as in-kind expenses and professional fees for the years ended June 30, 2024 and 2023, respectively, on the statements of functional expenses. For the years ended June 30, 2024 and 2023, 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 9, 2024. The line of credit was not renewed. The line of credit had 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 was secured by investments. Interest was to be paid monthly based on the outstanding balance. The amount outstanding on the line of credit was \$0 at June 30, 2023. Interest expense was \$0 for each of the years ended June 30, 2024 and 2023.

Note 13 - Net assets

As of June 30, 2024 and 2023, net assets with donor restrictions are restricted for the following purposes or periods.

Subject to expenditure for specified purpose:

	<u>2024</u>	<u>2023</u>
Scholarships	\$ 924,133	\$ 788,722
Domestic training	3,387,541	3,515,013
International training	980,496	808,021
International travel	923,371	771,141
World service council	124,156	201,085
Split-interest agreements	655,638	578,190
Racial justice	-	1,589,948
Other	<u>849,284</u>	<u>747,399</u>
	<u>7,844,619</u>	<u>8,999,519</u>

YWCA USA, Inc.

**Notes to Financial Statements
June 30, 2024 and 2023**

Endowments:

	2024	2023
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	575,283	575,283
	<u>6,600,559</u>	<u>6,600,559</u>
	<u>\$ 14,445,178</u>	<u>\$ 15,600,078</u>

For the years ended June 30, 2024 and 2023, net assets were released from donor restrictions by incurring expenses satisfying the purpose restrictions specified by donors as follows:

	2024	2023
Domestic training	\$ 2,417,423	\$ 3,528,938
International training	55,949	52,325
World Service Council	165,000	25,000
Split-interest agreements	6,145	31,651
Racial justice	1,410,414	672,948
Other	644,384	655,624
	<u>\$ 4,699,315</u>	<u>\$ 4,966,486</u>

Note 14 - 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:

- I. The duration and preservation of the Fund;
- II. The preservation of YWCA USA and the donor-restricted endowment fund;

YWCA USA, Inc.

Notes to Financial Statements June 30, 2024 and 2023

- III. General economic conditions;
- IV. The possible effect of inflation and deflation;
- V. The expected total return from income and the appreciation of investments;
- VI. Other resources of YWCA USA;
- VII. An asset's special relationship or special value, if any, to the purposes of YWCA USA;
- VIII. 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
- IX. 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, 2024 and 2023.

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 adopted a policy of budgeting for distribution of five percent for the years ended June 30, 2024 and 2023, 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.

YWCA USA, Inc.

**Notes to Financial Statements
June 30, 2024 and 2023**

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, 2024 and 2023 was as follows:

	Without donor restrictions	With donor restrictions	Total
June 30, 2024			
Donor-restricted endowment funds	\$ -	\$ 10,663,710	\$ 10,663,710
Board-designated endowment funds	53,796,716	-	53,796,716
	<u>\$ 53,796,716</u>	<u>\$ 10,663,710</u>	<u>\$ 64,460,426</u>
June 30, 2023			
Donor-restricted endowment funds	\$ -	\$ 9,870,154	\$ 9,870,154
Board-designated endowment funds	49,999,308	-	49,999,308
	<u>\$ 49,999,308</u>	<u>\$ 9,870,154</u>	<u>\$ 59,869,462</u>

Changes in endowment net assets for the years ended June 30, 2024 and 2023 were as follows:

	Without donor restrictions	With donor restrictions	Total
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	(215,434)	-	(215,434)
Total investment income, net	4,494,259	801,302	5,295,561
Appropriation for expenditure	(2,063,863)	(224,499)	(2,288,362)
Endowment net assets, June 30, 2023	49,999,308	9,870,154	59,869,462
Contributions	21,939	-	21,939
Investment income			
Interest and dividends	1,350,941	299,073	1,650,014
Realized and unrealized gains	4,663,916	740,335	5,404,251
Investment fees	(214,038)	-	(214,038)
Total investment income, net	5,800,819	1,039,408	6,840,227
Appropriation for expenditure	(2,025,350)	(245,852)	(2,271,202)
Endowment net assets, June 30, 2024	<u>\$ 53,796,716</u>	<u>\$ 10,663,710</u>	<u>\$ 64,460,426</u>

YWCA USA, Inc.

**Notes to Financial Statements
June 30, 2024 and 2023**

Note 15 - Fair value measurement

YWCA USA has determined the fair value of certain assets through FASB ASC Topic 820, Fair Value Measurement. Fair values of assets measured on a recurring basis at June 30, 2024 and 2023 are as follows:

		Fair value measurements at reporting date			
		Net asset	Quoted prices	Significant	Significant
		value	in active	other	unobservable
			markets for	observable	inputs
			identical	inputs	inputs
			assets/liabilities	(Level 2)	(Level 3)
June 30, 2024	Fair value		(Level 1)		
<u>Assets</u>					
Equity securities - domestic	\$ 453,101	\$ -	\$ 453,101	\$ -	\$ -
Equity securities - foreign	1,524,926	-	1,524,926	-	-
Equities - mutual funds and ETFs	42,865,310	-	42,865,310	-	-
Fixed income - U.S. Treasury notes	3,841,582	-	-	3,841,582	-
Fixed income - U.S. Government agency notes	149,195	-	-	149,195	-
Fixed income - corporate bonds	3,844,545	-	-	3,844,545	-
Fixed Income - mutual funds and ETFs	13,089,066	-	13,089,066	-	-
Real estate funds	1,003,826	-	1,003,826	-	-
Alternative investments	3,119,104	3,119,104	-	-	-
Total assets	<u>\$ 69,890,655</u>	<u>\$ 3,119,104</u>	<u>\$ 58,936,229</u>	<u>\$ 7,835,322</u>	<u>\$ -</u>
<u>Liabilities</u>					
Payable to beneficiaries	<u>\$ 170,701</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 170,701</u>	<u>\$ -</u>
<u>June 30, 2023</u>					
<u>Assets</u>					
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	-	-	-
Total assets	<u>\$ 63,885,952</u>	<u>\$ 2,949,921</u>	<u>\$ 55,155,071</u>	<u>\$ 5,780,960</u>	<u>\$ -</u>
<u>Liabilities</u>					
Payable to beneficiaries	<u>\$ 164,669</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 164,669</u>	<u>\$ -</u>

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.

YWCA USA, Inc.

Notes to Financial Statements June 30, 2024 and 2023

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.

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 16 - 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 an employment agreement with one key member of management, which provide for salary if terminated without just cause.

Note 17 - 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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