

**YWCA GREENWICH, CONNECTICUT, INC.**

**FINANCIAL STATEMENTS  
AND INDEPENDENT AUDITOR'S REPORT**

**JUNE 30, 2018 AND 2017**

**YWCA GREENWICH, CONNECTICUT, INC.**

**TABLE OF CONTENTS**

**Independent Auditor's Report**

**Exhibit**

**A - Statements of Financial Position**

**B - Statements of Activities**

**C - Statements of Functional Expenses**

**D - Statements of Cash Flows**

**Notes to Financial Statements**

## **Independent Auditor's Report**

**Board of Directors  
YWCA Greenwich, Connecticut, Inc.  
Greenwich, Connecticut**

We have audited the accompanying financial statements of YWCA Greenwich, Connecticut, Inc., which comprise the statement of financial position as of June 30, 2018, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of YWCA Greenwich, Connecticut, Inc. as of June 30, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Prior Year Audited by Other Auditors***

The June 30, 2017 financial statements were audited by other auditors, and their report thereon, dated September 11, 2017, expressed an unmodified opinion.

**BKD, LLP**

New York, New York  
October 1, 2018

## YWCA GREENWICH, CONNECTICUT, INC.

## STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 110,687	\$ 140,598
Investments (Note 3)	9,306,070	8,894,298
Grants and program receivables (net of allowance for doubtful accounts of \$33,000 and \$23,000 in 2018 and 2017, respectively)	204,937	123,219
Prepaid expenses	110,512	155,028
Investments held for deferred compensation plan (Note 5)	126,788	-
Total current assets	<u>9,858,994</u>	<u>9,313,143</u>
Long term and other assets		
Investments (Note 3)	850,000	850,000
Fixed assets (Note 4)	4,986,099	5,011,414
Investments held for deferred compensation plan (Note 5)	-	356,975
Total long term and other assets	<u>5,836,099</u>	<u>6,218,389</u>
Total assets	<u>\$ 15,695,093</u>	<u>\$ 15,531,532</u>
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities		
Accounts payable and accrued expenses	\$ 366,429	\$ 336,678
Deferred revenue	741,826	824,675
Deferred compensation payable (Note 5)	126,788	-
Total current liabilities	<u>1,235,043</u>	<u>1,161,353</u>
Long term liabilities		
Deferred compensation payable (Note 5)	-	356,975
Total liabilities	<u>1,235,043</u>	<u>1,518,328</u>
Net assets (Exhibit B)		
Unrestricted	13,610,050	13,163,204
Permanently restricted (Note 6)	850,000	850,000
Total net assets	<u>14,460,050</u>	<u>14,013,204</u>
Total liabilities and net assets	<u>\$ 15,695,093</u>	<u>\$ 15,531,532</u>

The accompanying notes are an integral part of these statements.

YWCA GREENWICH, CONNECTICUT, INC.

EXHIBIT B

STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2018 AND 2017

	2018			2017		
	Unrestricted	Permanently Restricted	Total	Unrestricted	Permanently Restricted	Total
Operating revenues and other support						
Contributions	\$ 494,124		\$ 494,124	\$ 373,488		\$ 373,488
United Way	55,000		55,000	80,559		80,559
Special events revenues	\$ 1,404,359		\$ 1,404,359	\$ 1,447,685		\$ 1,447,685
Special events - direct cost	(244,961)		(244,961)	(210,829)		(210,829)
Government grants	1,159,398		1,159,398	1,236,856		1,236,856
Nongovernmental grants	513,474		513,474	351,932		351,932
Program service fees (net of financial aid of \$173,757 and \$181,924 in 2018 and 2017, respectively)	93,010		93,010	101,625		101,625
Memberships	3,476,782		3,476,782	3,301,761		3,301,761
Interest and dividends	614,838		614,838	665,794		665,794
Other income	253,320		253,320	242,769		242,769
	132,941		132,941	120,483		120,483
Total operating revenues and other support	<u>6,792,887</u>		<u>6,792,887</u>	<u>6,475,267</u>		<u>6,475,267</u>
Operating expenses (Exhibit C)						
Program services						
Aquatics	1,301,894		1,301,894	1,308,412		1,308,412
Fitness	833,299		833,299	812,864		812,864
Childhood education	2,078,177		2,078,177	2,022,837		2,022,837
Women's economic empowerment and leadership	31,552		31,552	52,485		52,485
Racial justice	67,770		67,770	58,871		58,871
Domestic abuse services	799,065		799,065	852,236		852,236
Total program services	<u>5,111,757</u>		<u>5,111,757</u>	<u>5,107,705</u>		<u>5,107,705</u>
Management and general	1,103,098		1,103,098	948,311		948,311
Fund raising	655,407		655,407	459,929		459,929
Total operating expenses	<u>6,870,262</u>		<u>6,870,262</u>	<u>6,515,945</u>		<u>6,515,945</u>
Change in net assets from operations	(77,375)		(77,375)	(40,678)		(40,678)
Nonoperating gains						
Net unrealized and realized gains on investments	524,221		524,221	718,988		718,988
Total nonoperating gains	<u>524,221</u>		<u>524,221</u>	<u>718,988</u>		<u>718,988</u>
Change in net assets (Exhibit D)	446,846		446,846	678,310		678,310
Net assets - beginning of year	13,163,204	\$ 850,000	14,013,204	12,484,894	\$ 850,000	13,334,894
Net assets - end of year (Exhibit A)	<u>\$ 13,610,050</u>	<u>\$ 850,000</u>	<u>\$ 14,460,050</u>	<u>\$ 13,163,204</u>	<u>\$ 850,000</u>	<u>\$ 14,013,204</u>

The accompanying notes are an integral part of these statements.

STATEMENTS OF FUNCTIONAL EXPENSES

YEARS ENDED JUNE 30, 2018 AND 2017

	2018									
	Program Services									
	Aquatics	Fitness	Childhood Education	Women's Economic Empowerment & Leadership	Racial Justice	Domestic Abuse Services	Total	Management and General	Fund Raising	Total
Salaries	\$ 589,460	\$ 466,688	\$ 942,718	\$ 21,238	\$ 47,558	\$ 513,014	\$ 2,580,676	\$ 583,212	\$ 313,028	\$ 3,476,916
Payroll taxes and employee benefits	108,285	61,007	230,846	2,670	5,000	114,873	522,681	160,740	66,943	750,364
Total salaries and related expenses	697,745	527,695	1,173,564	23,908	52,558	627,887	3,103,357	743,952	379,971	4,227,280
Occupancy	174,836	122,874	342,501	135	2,099	51,031	693,476	28,974	64,799	787,249
Supplies	271,212	45,203	179,863	359	3,452	57,715	557,804	9,716	109,678	677,198
Professional fees and instructors	38,643	60,609	125,492	871	2,042	14,596	242,253	135,671	12,067	389,991
Depreciation	54,114	43,481	125,120	53	53	19,966	242,787	11,434	20,467	274,688
Bank charges	26,511	11,691	53,754	117	286	3,220	95,579	3,493	18,172	117,244
Printing and marketing	1,666	104	1,621	4,499	5,039	9,068	21,997	55,500	14,309	91,806
Investment fees		1,361		1,361	1,701	1,361	5,784	63,191		68,975
Insurance	12,698	10,485	24,902	200	491	8,175	56,951	7,430	6,117	70,498
Miscellaneous	5,619		9,129				14,748	1,096	26,319	42,163
Telephone	17,303	7,282	36,658	1	1	2,407	63,652	317	567	64,536
Dues and subscriptions	30			48	48	545	671	40,471		41,142
Staff training and recruitment	1,517	2,514	5,573			3,094	12,698	1,853	2,941	17,492
Total expenses (Exhibit B)	\$ 1,301,894	\$ 833,299	\$ 2,078,177	\$ 31,552	\$ 67,770	\$ 799,065	\$ 5,111,757	\$ 1,103,098	\$ 655,407	\$ 6,870,262

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STATEMENTS OF FUNCTIONAL EXPENSES

YEARS ENDED JUNE 30, 2018 AND 2017

	2017									
	Program Services									
	Aquatics	Fitness	Childhood Education	Women's Economic Empowerment & Leadership	Racial Justice	Domestic Abuse Services	Total	Management and General	Fund Raising	Total
Salaries	\$ 597,343	\$ 427,415	\$ 948,976	\$ 29,402	\$ 31,627	\$ 519,550	\$ 2,554,313	\$ 534,851	\$ 231,319	\$ 3,320,483
Payroll taxes and employee benefits	135,365	93,079	222,830	7,833	8,361	138,168	605,636	162,452	62,442	830,530
Total salaries and related expenses	732,708	520,494	1,171,806	37,235	39,988	657,718	3,159,949	697,303	293,761	4,151,013
Occupancy	155,301	119,889	319,301	3,517	3,517	48,863	650,388	25,654	49,073	725,115
Supplies	275,809	27,780	181,403	587	783	43,629	529,991	10,263	63,170	603,424
Professional fees and instructors	22,996	73,004	103,140	2,496	5,246	29,561	236,443	39,808	10,290	286,541
Depreciation	49,963	40,215	112,797	1,366	1,366	18,915	224,622	9,960	18,883	253,465
Bank charges	35,668	14,197	71,685				121,550			121,550
Printing and marketing	954	229	1,627	6,489	7,181	38,936	55,416		12,133	67,549
Investment fees								66,029		66,029
Insurance	11,528	9,279	26,026	315	315	4,364	51,827	2,298	4,357	58,482
Miscellaneous	6,907	813	2,147	476	475	6,184	17,002	30,427	6,567	53,996
Telephone	14,660	6,066	29,825			1,537	52,088		20	52,108
Dues and subscriptions						455	455	40,198	180	40,833
Staff training and recruitment	1,918	898	3,080	4		2,074	7,974	26,371	1,495	35,840
Total expenses (Exhibit B)	<u>\$ 1,308,412</u>	<u>\$ 812,864</u>	<u>\$ 2,022,837</u>	<u>\$ 52,485</u>	<u>\$ 58,871</u>	<u>\$ 852,236</u>	<u>\$ 5,107,705</u>	<u>\$ 948,311</u>	<u>\$ 459,929</u>	<u>\$ 6,515,945</u>

The accompanying notes are an integral part of these statements.



## YWCA GREENWICH, CONNECTICUT, INC.

## STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
Operating activities		
Change in net assets (Exhibit B)	\$ 446,846	\$ 678,310
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	274,688	253,465
Realized and unrealized gains on investments	(524,221)	(718,988)
Decrease (increase) in assets		
Grants and program receivables	(81,718)	(41,696)
Prepaid expenses	44,516	11,211
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	29,751	(146,435)
Deferred revenue	(82,849)	(148,296)
Deferred compensation payable	(230,187)	(370,388)
Net cash provided by operating activities	<u>(123,174)</u>	<u>(482,817)</u>
Investing activities		
Purchase of fixed assets	(249,373)	(226,125)
Purchase of investments	(3,816,847)	(3,118,950)
Proceeds from the sale of investments	<u>4,159,483</u>	<u>3,704,124</u>
Net cash used by investing activities	<u>93,263</u>	<u>359,049</u>
Net change in cash and cash equivalents	(29,911)	(123,768)
Cash and cash equivalents - beginning of year	<u>140,598</u>	<u>264,366</u>
Cash and cash equivalents - end of year	<u>\$ 110,687</u>	<u>\$ 140,598</u>

The accompanying notes are an integral part of these statements.

**YWCA GREENWICH, CONNECTICUT, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2018 AND 2017**

**NOTE 1 - NATURE OF ORGANIZATION**

YWCA Greenwich, Connecticut, Inc. (“YWCA”) operates programs that enhance the lives of women, men, and children in our community through fitness and aquatics programs, childhood education programs, domestic abuse services, women’s economic empowerment and leadership and racial justice programs. During this past year approximately 15,000 women, men and children participated in and benefited from YWCA programs and services. Founded in 1919, YWCA continually meets the changing needs of the people it serves. YWCA is funded primarily by program service fees and memberships collected from individuals as well as contributions and special events.

YWCA is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Basis of accounting*** - The financial statements are prepared on the accrual basis of accounting.

***Use of estimates*** - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

***Cash and cash equivalents*** - Cash and cash equivalents including highly liquid instruments with initial maturities, when acquired, of three months or less. Cash equivalents are money market funds.

***Investments*** - Investments are reported at fair value. YWCA invests in various types of investment securities. Investment securities, in general, are exposed to various risks such as interest rate, credit, and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term, based on the markets’ fluctuations, and that such changes could materially affect the amounts reported in YWCA’s financial statements.

***Grants and program receivables and allowance for doubtful accounts*** - YWCA records program services and membership dues as services are provided. Receivables are charged to bad debt expense when they are determined to be uncollectible based upon a periodic review of the accounts by management. Factors used to determine whether an allowance should be recorded include the age of the receivable and a review of payments subsequent to year end. Interest is not accrued or recorded on outstanding accounts receivable.

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**YWCA GREENWICH, CONNECTICUT, INC.****NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2018 AND 2017****NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Fixed assets** - Fixed assets are recorded at cost less accumulated depreciation. YWCA's policy is to capitalize all fixed assets in excess of \$5,000 whose useful life is greater than one year. Depreciation is recorded on the straight-line method over the estimated useful lives of the assets.

**Long-lived asset impairment** - YWCA evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset is less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value.

No asset impairment was recognized during the years ended June 30, 2018 and 2017.

**Deferred revenue** - YWCA receives payments for programs in advance. These prepayments are recorded as liabilities and are applied against the period in which they are earned. All deferred revenue is expected to be earned in the next fiscal year.

**Net assets** - Unrestricted net assets include funds having no restrictions as to use or purpose imposed by donors. Temporarily restricted net assets are those whose use has been limited by donors to a specific time period or purpose. Permanently restricted net assets are limited by donors for investment.

**Operating indicator** - Changes in net asset from operations include all revenues and expenses for the reporting period except for net unrealized and realized gains on investments.

**Government grants** - Government grant income is recognized at their net realizable amount when reimbursable expenses are incurred under the terms of the grant. Such income is subject to audit by the governmental agency. No provision for any disallowances is reflected in these financial statements, since management does not anticipate any material adjustments.

**Contributions and nongovernmental grants** - Unconditional contributions and nongovernmental grants, including promises to give cash and other assets, are reported at fair value at the date the contribution or grant is received. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Donor-restricted contributions and grants whose restrictions are met within the same year as received are reflected as unrestricted contributions and grants in the accompanying financial statements.

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**YWCA GREENWICH, CONNECTICUT, INC.****NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2018 AND 2017****NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

*Program service fees and membership income* - Income from program service fees is recognized as services are provided. Membership is recognized over the membership term.

*Financial aid* - The policy of the YWCA has been to award financial aid for services to deserving members in lieu of accepting only members who have the ability to pay for services.

*Functional expense presentation* - The costs of providing YWCA's services have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

***Fair Value Measurements***

*Fair Value Measurements* establishes a framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below.

Level 1 inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that YWCA has the ability to access. Level 2 inputs to the valuation methodology include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; and inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability. Level 3 inputs to the valuation methodology are unobservable and significant to the fair value measurement. The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

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**YWCA GREENWICH, CONNECTICUT, INC.****NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2018 AND 2017****NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)*****Fair Value Measurements (continued)***

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2018 as compared to those used at June 30, 2017.

- ***Mutual funds*** - Valued at the net asset value of shares held at year end.
- ***Common stock, real estate investment trusts (REIT's), exchange-traded and closed-end funds*** - Valued at the closing price reported on the active market on which the individual securities are traded.
- ***Government and corporate obligations*** - Valued at fair value by discounting the related cash flows based on current yields of similar instruments with comparable durations, considering the creditworthiness of the issuers.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while YWCA believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

A table setting forth by level, within the fair value hierarchy, the assets at fair value as of June 30, 2018 and 2017 is included in Note 3.

***Subsequent events*** - Subsequent events have been evaluated through October 1, 2018, which is the date the financial statements were available to be issued.

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## YWCA GREENWICH, CONNECTICUT, INC.

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018 AND 2017

## NOTE 3 - INVESTMENTS

The following table sets forth by level, within the fair value hierarchy as described in Note 2, the investment portfolio's assets at fair value as of June 30, 2018:

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Government obligations		\$ <u>807,536</u>	\$ <u>807,536</u>
Corporate obligations	\$ <u>805,426</u>		<u>805,426</u>
Common stock			
Domestic equity	1,896,734		1,896,734
International equity	<u>556,414</u>		<u>556,414</u>
Total common stock	<u>2,453,148</u>		<u>2,453,148</u>
Mutual funds			
Domestic	3,130,797		3,130,797
International	<u>2,271,384</u>		<u>2,271,384</u>
Total mutual funds	<u>5,402,181</u>		<u>5,402,181</u>
REIT's	<u>534,641</u>		<u>534,641</u>
Total investments reported on the fair value hierarchy	\$ <u>9,195,396</u>	\$ <u>807,536</u>	10,002,932
Cash and cash equivalents included in investments			<u>153,138</u>
Total investments			\$ <u>10,156,070</u>

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## YWCA GREENWICH, CONNECTICUT, INC.

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018 AND 2017

**NOTE 3 - INVESTMENTS (continued)**

The following table sets forth by level, within the fair value hierarchy as described in Note 2, the investment portfolio's assets at fair value as of June 30, 2017:

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Government obligations		\$ <u>834,250</u>	\$ <u>834,250</u>
Corporate obligations	\$ <u>829,198</u>		<u>829,198</u>
Common stock			
Domestic equity	1,687,647		1,687,647
International equity	<u>699,602</u>		<u>699,602</u>
	<u>2,387,249</u>		<u>2,387,249</u>
Mutual funds			
Domestic	2,586,903		2,586,903
International	<u>1,838,503</u>		<u>1,838,503</u>
Total mutual funds	<u>4,425,406</u>		<u>4,425,406</u>
REIT's	<u>956,246</u>		<u>956,246</u>
Total investments reported on the fair value hierarchy	\$ <u>8,598,099</u>	\$ <u>834,250</u>	9,432,349
Cash and cash equivalents included in investments			<u>311,949</u>
Total investments			\$ <u>9,744,298</u>

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**YWCA GREENWICH, CONNECTICUT, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2018 AND 2017**

**NOTE 4 - FIXED ASSETS**

	<u>2018</u>	<u>2017</u>	<u>Estimated Useful Lives</u>
Land	\$ 418,982	\$ 418,982	
Buildings	1,475,698	1,475,698	3-50 years
Building improvements	8,090,874	7,849,649	5-40 years
Furniture, fixtures and equipment	<u>360,308</u>	<u>352,160</u>	3-20 years
	10,345,862	10,096,489	
Accumulated depreciation	<u>(5,359,763)</u>	<u>(5,085,075)</u>	
Net book value	\$ <u>4,986,099</u>	\$ <u>5,011,414</u>	

**NOTE 5 - RETIREMENT PLAN**

The YWCA participates in multiemployer cash balance defined benefit pension plan qualified under Section 401(a) of the Internal Revenue Code. The plan is administered by the YWCA Retirement Fund (a separate national corporation.) 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, if any, of the Plan may be borne by the remaining participating employers. The actuarial present value of accumulated plan benefits and net assets available for benefits relating to the YWCA's employees is not available because such information is not accumulated for each participating organization. Employees become eligible for participation in the plan after two years of service and minimum of 1,000 hours per year. On an annual basis, participating YWCA's can elect to contribute 10%, 7.5%, 5% or 3% of the employee's salary. Based on the level of the YWCA's contributions, the YWCA Retirement Fund will match at 4%, 3%, 2% and 1.2%, respectively. For the 2018 fiscal year end, YWCA elected the 5% contribution rate. The pension expense for the year ended June 30, 2018 and 2017 was \$145,910 and 204,072, respectively.

The YWCA had 457(b) and 457(f) deferred compensation plans for certain key employees that were funded by both the YWCA and its employees. The YWCA no longer offer these plans to its employees. As such, the investments were directed by the employee, but remain as assets of the YWCA until the employee retires. At June 30, 2018 and 2017, the asset value of the plan and the resulting liability was \$126,788 and \$356,975, respectively.

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**YWCA GREENWICH, CONNECTICUT, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2018 AND 2017**

**NOTE 5 - RETIREMENT PLAN (continued)**

The following table sets forth by level, within the fair value hierarchy, the assets at fair value as of June 30, 2017 and 2018:

	<u>Level 1 - 2018</u>	<u>Level 1 - 2017</u>
Cash	\$ 6,054	
Mutual funds - domestic	84,026	\$ 109,706
Exchange-traded and closed-end funds	<u>36,708</u>	<u>247,269</u>
Total investments	\$ <u>126,788</u>	\$ <u>356,975</u>

**NOTE 6 - PERMANENTLY RESTRICTED NET ASSETS AND ENDOWMENT**

**General**

YWCA's permanently restricted net assets consist of four endowment fund assets to be held in perpetuity. The income from the assets can be used to support the Racial Justice, Women's Economic Advancement, Domestic Abuse programs and making the building handicapped accessible.

Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

**Interpretation of Relevant Law**

In July 2006, the National Conference of Commissioners on Uniform State Laws approved the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as an updated version of the Uniform Management of Institutional Funds Act ("UMIFA"). UMIFA, in effect in Connecticut since 1973, provided a prudent standard for the spending of the net appreciation of a donor-restricted endowment fund and imposed a spending floor of a fund's book value (referred to as "historic dollar value" in UMIFA). UPMIFA became law and replaced UMIFA in Connecticut on October 1, 2007 and provides, among other things, expanded spending flexibility by allowing, subject to a standard of prudence, the institution to spend from an endowment fund without regard to the book value of the corpus of the fund. This flexibility under UPMIFA allows an expenditure that lowers the value of the corpus of the fund below its book value, which was not allowed under UMIFA.

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## YWCA GREENWICH, CONNECTICUT, INC.

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018 AND 2017

**NOTE 6 - PERMANENTLY RESTRICTED NET ASSETS AND ENDOWMENT (continued)****Interpretation of Relevant Law (continued)**

The YWCA therefore classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the YWCA in a manner consistent with the standard of prudence prescribed by UPMIFA.

**Return Objectives, Strategies Employed and Spending Policy**

The objective of the YWCA is to maintain the principal endowment funds at the original amount designated by the donors and to provide a predictable stream of funding to programs supported by its endowment. The investment policy to achieve this objective is to invest in low-risk securities. Investment income earned in relation to the endowment funds is recorded as unrestricted income if it's released from restriction in the year it is earned.

**Funds with Deficiencies**

The YWCA does not have any funds with deficiencies.

**Changes in Endowment Net Assets for the Year Ended June 30, 2018**

	<u>Unrestricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets - beginning of year		\$ 850,000	\$ 850,000
Dividends and interest	\$ 19,721		19,721
Net realized gain	19,913		19,913
Net unrealized gain	26,326		26,326
Investment expenses	(5,785)		(5,785)
Appropriations	<u>(60,175)</u>	<u>                    </u>	<u>(60,175)</u>
Endowment net assets - end of year	\$ <u>          -</u>	\$ <u>850,000</u>	\$ <u>850,000</u>

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## YWCA GREENWICH, CONNECTICUT, INC.

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018 AND 2017

## NOTE 6 - PERMANENTLY RESTRICTED NET ASSETS (continued)

*Changes in Endowment Net Assets for the Year Ended June 30, 2017*

	<u>Unrestricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets - beginning of year		\$ 850,000	\$ 850,000
Dividends and interest	\$ 21,855		21,855
Net realized loss	5,615		5,615
Net unrealized gain	59,228		59,228
Investment expenses	(5,947)		(5,947)
Appropriations	<u>(80,751)</u>	<u>                    </u>	<u>(80,751)</u>
Endowment net assets - end of year	\$ <u>          -</u>	\$ <u>850,000</u>	\$ <u>850,000</u>