

# **YWCA Greenwich, Connecticut, Inc.**

Independent Auditor's Report and Financial Statements

June 30, 2022 and 2021

# YWCA Greenwich, Connecticut, Inc.

June 30, 2022 and 2021

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## Independent Auditor's Report

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

### ***Opinion***

We have audited the financial statements of YWCA Greenwich, Connecticut, Inc., which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, 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 Greenwich, Connecticut, Inc. as of June 30, 2022 and 2021, and the changes in 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 Greenwich, Connecticut, Inc. 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 Greenwich, Connecticut, Inc.'s ability to continue as a going concern within one year after the date that these 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 Greenwich, Connecticut, Inc.'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 Greenwich, Connecticut, Inc.'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 audit.

**FORVIS,LLP**

New York, New York  
September 28, 2022

**YWCA Greenwich, Connecticut, Inc.**  
**Statements of Financial Position**  
**June 30, 2022 and 2021**

	<b>2022</b>	<b>2021</b>
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 2,361,622	\$ 2,496,167
Campaign contributions receivable	870,000	865,000
Contributions, grants, and program receivables (net of allowance for doubtful accounts of \$25,000 for 2022 and 2021)	345,807	218,419
Prepaid expenses	125,537	114,806
Total current assets	3,702,966	3,694,392
<b>Long-Term and Other Assets</b>		
Investments	10,516,791	12,243,409
Campaign contributions receivable	412,781	1,227,878
Property and equipment, net	5,282,517	4,799,001
Total long-term and other assets	16,212,089	18,270,288
Total assets	\$ 19,915,055	\$ 21,964,680
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued expenses	\$ 517,412	\$ 516,175
Deferred revenue	946,259	892,609
Total current liabilities	1,463,671	1,408,784
<b>Long-Term Liabilities</b>		
Loans payable	-	719,860
Total liabilities	1,463,671	2,128,644
<b>Net Assets</b>		
Without donor restrictions	15,572,410	16,275,419
With donor restrictions	2,878,974	3,560,617
Total net assets	18,451,384	19,836,036
Total liabilities and net assets	\$ 19,915,055	\$ 21,964,680

# YWCA Greenwich, Connecticut, Inc.

## Statements of Activities

Years Ended June 30, 2022 and 2021

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Operating Revenues and Other Support</b>						
Contributions	\$ 1,096,189	\$ 150,421	\$ 1,246,610	\$ 2,135,483	\$ 2,466,254	\$ 4,601,737
United Way	60,000	-	60,000	108,215	-	108,215
Special events revenues	1,186,424	-	1,186,424	1,190,540	-	1,190,540
Less direct costs of special events	(311,978)	-	(311,978)	(258,795)	-	(258,795)
Government grants	969,595	-	969,595	762,540	-	762,540
Nongovernmental grants	168,140	-	168,140	169,586	-	169,586
Program service fees (including financial aid 2022 - \$174,946 and 2021 - \$155,763)	3,267,618	-	3,267,618	1,922,657	-	1,922,657
Memberships	426,131	-	426,131	350,753	-	350,753
Investment return, net	144,876	16,129	161,005	107,659	9,042	116,701
Other income	45,793	-	45,793	52,006	-	52,006
Released from restrictions	656,511	(656,511)	-	-	-	-
Total operating revenues and other support	<u>7,709,299</u>	<u>(489,961)</u>	<u>7,219,338</u>	<u>6,540,644</u>	<u>2,475,296</u>	<u>9,015,940</u>
<b>Operating Expenses</b>						
Program services						
Aquatics	1,248,846	-	1,248,846	961,096	-	961,096
Fitness	841,917	-	841,917	765,142	-	765,142
Childhood education	2,174,433	-	2,174,433	1,815,489	-	1,815,489
Center for Equity and Justice	287,310	-	287,310	230,826	-	230,826
Domestic abuse services	1,111,973	-	1,111,973	1,140,185	-	1,140,185
Total program services	<u>5,664,479</u>	<u>-</u>	<u>5,664,479</u>	<u>4,912,738</u>	<u>-</u>	<u>4,912,738</u>
Management and general	1,071,775	-	1,071,775	952,036	-	952,036
Fundraising	601,569	-	601,569	556,600	-	556,600
Total operating expenses	<u>7,337,823</u>	<u>-</u>	<u>7,337,823</u>	<u>6,421,374</u>	<u>-</u>	<u>6,421,374</u>
<b>Change in Net Assets from Operations</b>	371,476	(489,961)	(118,485)	119,270	2,475,296	2,594,566
Net unrealized and realized gains (losses) on investments	(1,692,508)	(191,682)	(1,884,190)	1,872,155	235,321	2,107,476
Loss on disposal of property and equipment	(101,837)	-	(101,837)	-	-	-
Forgiveness of loan	719,860	-	719,860	750,000	-	750,000
<b>Change in Net Assets</b>	(703,009)	(681,643)	(1,384,652)	2,741,425	2,710,617	5,452,042
<b>Net Assets, Beginning of Year</b>	<u>16,275,419</u>	<u>3,560,617</u>	<u>19,836,036</u>	<u>13,533,994</u>	<u>850,000</u>	<u>14,383,994</u>
<b>Net Assets, End of Year</b>	<u>\$ 15,572,410</u>	<u>\$ 2,878,974</u>	<u>\$ 18,451,384</u>	<u>\$ 16,275,419</u>	<u>\$ 3,560,617</u>	<u>\$ 19,836,036</u>

**YWCA Greenwich, Connecticut, Inc.**  
**Statement of Functional Expenses**  
**Year Ended June 30, 2022**

	Program Services					Total	Management and General	Fundraising	Total
	Aquatics	Fitness	Childhood Education	Center for Equity and Justice	Domestic Abuse Services				
Salaries	\$ 569,647	\$ 467,434	\$ 1,058,466	\$ 225,616	\$ 688,207	\$ 3,009,370	\$ 557,350	\$ 263,279	\$ 3,829,999
Payroll taxes and employee benefits	72,339	58,514	178,416	31,901	129,442	470,612	128,903	45,323	644,838
Total salaries and related expenses	641,986	525,948	1,236,882	257,517	817,649	3,479,982	686,253	308,602	4,474,837
Occupancy	183,951	148,003	411,481	726	59,823	803,984	34,258	61,315	899,557
Supplies	267,721	40,694	134,707	2,334	131,640	577,096	20,195	190,963	788,254
Professional fees and instructors	30,069	33,822	126,847	6,357	20,299	217,394	163,255	275,432	656,081
Depreciation	64,338	52,361	149,602	127	23,874	290,302	13,671	24,469	328,442
Bank charges and payroll fees	23,860	20,074	43,096	9,906	31,086	128,022	22,276	11,913	162,211
Printing and marketing	1,940	416	1,501	3,511	3,471	10,839	20,057	29,299	60,195
Insurance	18,201	15,183	38,242	3,258	14,247	89,131	9,512	8,066	106,709
Miscellaneous	10,226	1,809	16,752	3,574	7,363	39,724	102,264	3,001	144,989
Network connectivity	6,554	3,607	15,323	-	2,521	28,005	34	487	28,526
Total expenses	1,248,846	841,917	2,174,433	287,310	1,111,973	5,664,479	1,071,775	913,547	7,649,801
Less direct costs of special events	-	-	-	-	-	-	-	(311,978)	(311,978)
Total expenses reported by function on the statements of activities	<u>\$ 1,248,846</u>	<u>\$ 841,917</u>	<u>\$ 2,174,433</u>	<u>\$ 287,310</u>	<u>\$ 1,111,973</u>	<u>\$ 5,664,479</u>	<u>\$ 1,071,775</u>	<u>\$ 601,569</u>	<u>\$ 7,337,823</u>

**YWCA Greenwich, Connecticut, Inc.**  
**Statement of Functional Expenses**  
**Year Ended June 30, 2021**

	Program Services					Total	Management and General	Fundraising	Total
	Aquatics	Fitness	Childhood Education	Center for Equity and Justice	Domestic Abuse Services				
Salaries	\$ 482,042	\$ 424,113	\$ 864,171	\$ 180,477	\$ 707,877	\$ 2,658,680	\$ 547,562	\$ 222,709	\$ 3,428,951
Payroll taxes and employee benefits	69,368	63,631	187,236	26,017	141,347	487,599	129,186	52,648	669,433
Total salaries and related expenses	551,410	487,744	1,051,407	206,494	849,224	3,146,279	676,748	275,357	4,098,384
Occupancy	153,371	123,297	335,741	262	49,098	661,769	28,116	55,408	745,293
Supplies	106,587	33,237	90,717	7,132	146,110	383,783	19,319	219,300	622,402
Professional fees and instructors	42,192	35,239	109,480	4,094	19,645	210,650	124,888	167,531	503,069
Depreciation	62,588	50,924	143,872	123	23,074	280,581	13,214	23,649	317,444
Bank charges and payroll fees	17,104	15,491	30,174	6,634	27,303	96,706	18,372	8,551	123,629
Printing and marketing	96	63	294	3,485	4,878	8,816	19,073	41,086	68,975
Insurance	15,573	13,405	32,568	2,514	13,879	77,939	8,881	6,884	93,704
Miscellaneous	4,951	1,615	7,770	88	3,986	18,410	43,425	17,629	79,464
Network connectivity	7,224	4,127	13,466	-	2,988	27,805	-	-	27,805
Total expenses	961,096	765,142	1,815,489	230,826	1,140,185	4,912,738	952,036	815,395	6,680,169
Less direct costs of special events	-	-	-	-	-	-	-	(258,795)	(258,795)
Total expenses reported by function on the statements of activities	<u>\$ 961,096</u>	<u>\$ 765,142</u>	<u>\$ 1,815,489</u>	<u>\$ 230,826</u>	<u>\$ 1,140,185</u>	<u>\$ 4,912,738</u>	<u>\$ 952,036</u>	<u>\$ 556,600</u>	<u>\$ 6,421,374</u>



**YWCA Greenwich, Connecticut, Inc.**  
**Statements of Cash Flows**  
**Years Ended June 30, 2022 and 2021**

	<b>2022</b>	<b>2021</b>
<b>Operating Activities</b>		
Change in net assets	\$ (1,384,652)	\$ 5,452,042
Items not requiring (providing) operating cash flows		
Depreciation	328,442	317,444
Realized and unrealized (gains) losses on investments	1,884,190	(2,107,476)
Forgiveness of loan	(719,860)	(750,000)
Contributions received restricted for endowment	(50,000)	(250,000)
Loss on disposal of property and equipment	101,837	-
Contributions received restricted for acquisition of property and equipment	(75,000)	(399,441)
Changes in		
Campaign contributions receivable	810,097	(1,992,878)
Contributions, grants, and program receivables	(127,388)	(67,286)
Prepaid expenses	(10,731)	4,286
Accounts payable and accrued expenses	(203,763)	(347,398)
Deferred revenue	53,650	677,714
	<u>606,822</u>	<u>537,007</u>
<b>Investing Activities</b>		
Purchase of property and equipment	(708,795)	(221,125)
Purchase of investments	(4,980,735)	(10,460,835)
Proceeds from the sale of investments	4,823,163	8,701,574
	<u>(866,367)</u>	<u>(1,980,386)</u>
<b>Financing Activities</b>		
Proceeds from loan payable	-	719,860
Repayments on loan payable	-	(10,000)
Proceeds from contributions restricted for endowment	50,000	150,000
Proceeds from contributions restricted for property and equipment	75,000	399,441
	<u>125,000</u>	<u>1,259,301</u>
<b>Decrease in Cash and Cash Equivalents</b>	(134,545)	(184,078)
<b>Cash and Cash Equivalents, Beginning of Year</b>	<u>2,496,167</u>	<u>2,680,245</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ 2,361,622</u>	<u>\$ 2,496,167</u>
<b>Supplemental Cash Flow Information</b>		
Property and equipment in accounts payable	\$ 205,000	\$ -

# **YWCA Greenwich, Connecticut, Inc.**

## **Notes to Financial Statements**

**June 30, 2022 and 2021**

### **Note 1: Nature of Operations and Summary of Significant Accounting Policies**

#### ***Nature of Operations***

YWCA Greenwich, Connecticut, Inc. (YWCA) operates programs that enhance the lives of women, men, and children in the community through fitness and aquatics programs, childhood education programs, domestic abuse services, program related financial aid opportunities, community education events, and equity and justice initiatives. During 2022 and 2021, approximately 11,300 and 14,000, respectively, 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, special event revenues and grants.

As a result of the spread of the SARS-CoV-2 virus and the incidence of COVID-19, economic uncertainties negatively affected the financial position, results of operations, and cash flows of the YWCA. The pandemic resulted in a decrease of program revenues and uncertainty in future fundraising activity. The YWCA also obtained additional COVID-19 relief funding from the government and it continued fundraising activities.

#### ***Use of Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) 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 Equivalents***

YWCA considers all liquid investments with original maturities of three months or less to be cash equivalents. Uninvested cash and cash equivalents included in investment accounts, including endowment accounts, are not considered to be cash and cash equivalents. At June 30, 2022 and 2021, cash equivalents consisted primarily of money market funds.

At June 30, 2022, YWCA's cash accounts exceeded federally insured limits by approximately \$1,731,000.

#### ***Investments***

YWCA measures securities, other than investments that qualify for the equity method of accounting, at fair value.

# **YWCA Greenwich, Connecticut, Inc.**

## **Notes to Financial Statements**

**June 30, 2022 and 2021**

### ***Investment Return***

Investment return includes dividend, interest, and other investment income; realized and unrealized gains and losses on investments carried at fair value; and realized gains and losses on other investments, less external, and direct internal investment expenses. Gains and losses on the sale of securities are recorded on the trade date and are determined using the specific identification method.

Investment return that is initially restricted by donor stipulation and for which the restriction will be satisfied in the same year is included in net assets without donor restrictions. Other investment return is reflected in the statement of activities with or without donor restrictions based upon the existence and nature of any donor or legally imposed restrictions.

### ***Program Receivables and Allowance for Doubtful Accounts***

Program receivables are stated at the amount of consideration from participants, of which YWCA has an unconditional right to receive. YWCA provides an allowance for doubtful accounts, which is based upon a review of outstanding receivables, historical collection information, and existing economic conditions.

Receivables are charged to bad debt expense when they are determined to be uncollectible based upon a periodic review of the accounts by management. Delinquent receivables are written off based on the age of the receivable and a review of payments subsequent to year-end. Interest is not accrued or recorded on outstanding receivables.

### ***Property and Equipment***

Property and equipment acquisitions over \$5,000 are stated at cost, less accumulated depreciation. Depreciation is charged to expense on the straight-line basis over the estimated useful life of each asset.

### ***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, 2022 and 2021.

### ***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.

# **YWCA Greenwich, Connecticut, Inc.**

## **Notes to Financial Statements**

**June 30, 2022 and 2021**

### ***Net Assets***

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor restrictions.

Net assets without donor restrictions are available for use in general operations and not subject to donor or grantor restrictions. The governing board has designated, from net assets without donor restrictions, net assets for a board-designated endowment.

Net assets with donor restrictions are subject to donor or grantor restrictions. Some restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other restrictions are perpetual in nature, where the donor or grantor stipulates that resources be maintained in perpetuity.

### ***Program Services Fees***

Program services fees are recognized over the term of the program as YWCA provides services to participants. Revenue is reported at the amount of consideration which YWCA expects to be entitled in exchange for providing services. YWCA determines the transaction price based on standard charges for services provided, reduced by discounts provided for financial aid to participants.

### ***Membership Revenue***

Membership revenue is recognized as YWCA satisfies performance obligations under its contracts. Revenue is reported at the estimated transaction price or amount that reflects the consideration to which YWCA expects to be entitled in exchange for providing services. YWCA determines the transaction price based on standard charges for services provided, reduced by implicit and explicit price concessions. YWCA determines its estimates of implicit and explicit price concessions based upon contractual agreements, its discount policies and historical experience. The estimated amounts also include variable consideration financial aid offered to members.

### ***Operating Indicator***

Changes in net asset from operations include all revenues and expenses for the reporting period except for net unrealized and realized gains (losses) on investments, loss of disposal of property and equipment, and forgiveness of loan.

### ***Grants***

Support funded by grants is recognized as YWCA meets the conditions prescribed by the grant agreement, performs the contracted services, or incurs outlays eligible for reimbursement under the grant agreements. Grant activities and outlays are subject to audit and acceptance by the granting agency and, as a result of such audit, adjustments could be required.

# YWCA Greenwich, Connecticut, Inc.

## Notes to Financial Statements

June 30, 2022 and 2021

### Contributions

Contributions are provided to YWCA either with or without restrictions placed on the gift by the donor or grantor. Revenues and net assets are separately reported to reflect the nature of those gifts – with or without donor restrictions. The value recorded for each unconditional grant and contribution, with or without restriction, is recognized as follows:

Nature of the Gift	Value Recognized
<i>Conditional gifts, with or without restriction</i>	
Gifts that depend on YWCA overcoming a donor-imposed barrier to be entitled to the funds	Not recognized until the gift becomes unconditional, <i>i.e.</i> , the donor-imposed barrier is met
<i>Unconditional gifts, with or without restriction</i>	
Received at date of gift – cash and other assets	Fair value
Received at date of gift – property, equipment, and long-lived assets	Estimated fair value
Expected to be collected within one year	Net realizable value
Collected in future years	Initially reported at fair value determined using the discounted present value of estimated future cash flows technique

In addition to the amount initially recognized, revenue for unconditional gifts to be collected in future years is also recognized each year as the present-value discount is amortized using the level-yield method.

When a donor- or grantor-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 statement of activities as net assets released from restrictions. Absent explicit donor or grantor stipulations for the period of time that long-lived assets must be held, expirations of restrictions for gifts of land, buildings, equipment, and other long-lived assets are reported when those assets are placed in service.

Gifts having donor or grantor stipulations which are satisfied in the period the gift is received are reported as revenue and net assets without donor restrictions.

Conditional contributions having donor stipulations which are satisfied in the period the gift is received are recorded as revenue and net assets without donor restrictions.

### Income Taxes

YWCA is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and a similar provision of state law. However, YWCA is subject to federal income tax on any unrelated business taxable income.

**YWCA Greenwich, Connecticut, Inc.**  
**Notes to Financial Statements**  
**June 30, 2022 and 2021**

YWCA files tax returns in the U.S. federal jurisdiction.

***Functional Allocation of Expenses***

The costs of supporting the various programs and other activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses present the natural classification detail of expenses by function. Certain costs have been allocated among the program, management and general, and fundraising categories based on hours worked, square footage of space used and other methods.

**Note 2: Contributions Receivable**

Contributions receivable as of June 30, 2022 and 2021 consisted of the following:

	<b>With Donor Restrictions</b>	
	<b>2022</b>	<b>2021</b>
Due within one year	\$ 870,000	\$ 865,000
Due within one to five years	425,000	1,190,000
Due in more than five years	-	50,000
	1,295,000	2,105,000
Less unamortized discount	(12,219)	(12,122)
	<b>\$ 1,282,781</b>	<b>\$ 2,092,878</b>

Discount rates ranged from 2.9% to 3% for 2022 and .07% to .87% for 2021.

**Note 3: Conditional Gifts**

YWCA has received \$25,000 and \$137,500 of conditional promises to give at June 30, 2022 and 2021, respectively, that are not recognized in the financial statements.

# YWCA Greenwich, Connecticut, Inc.

## Notes to Financial Statements

June 30, 2022 and 2021

### Note 4: Property and Equipment

	<u>2022</u>	<u>2021</u>	<u>Estimated Useful Lives</u>
Land	\$ 418,982	\$ 418,982	
Buildings	1,475,698	1,475,698	50 years
Building improvements	9,080,185	8,375,837	5-40 years
Furniture, fixtures, and equipment	401,835	387,653	3-20 years
Construction-in-process	<u>36,602</u>	<u>188,187</u>	
	11,413,302	10,846,357	
Less accumulated depreciation	<u>(6,130,785)</u>	<u>(6,047,356)</u>	
	<u>\$ 5,282,517</u>	<u>\$ 4,799,001</u>	

### Note 5: Investments and Disclosures About Fair Value of Assets

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. The hierarchy comprises three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets or liabilities
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities
- Level 3** Unobservable inputs supported by little or no market activity and that are significant to the fair value of the assets or liabilities

# YWCA Greenwich, Connecticut, Inc.

## Notes to Financial Statements

June 30, 2022 and 2021

### ***Recurring Measurements***

The following tables present the fair value measurements of assets and liabilities recognized in the accompanying statement of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at June 30, 2022 and 2021:

	<b>Total Fair Value</b>	<b>Fair Value Measurements Using Quoted Prices in Active Markets for Identical Assets (Level 1)</b>
<b>June 30, 2022</b>		
Government obligations	<u>\$ 382,573</u>	<u>\$ 382,573</u>
Corporate obligations	<u>365,168</u>	<u>365,168</u>
Common stocks		
Domestic common stocks	2,610,967	2,610,967
International common stocks	<u>757,168</u>	<u>757,168</u>
Total common stocks	<u>3,368,135</u>	<u>3,368,135</u>
Mutual funds		
Domestic	4,770,015	4,770,015
International	<u>540,730</u>	<u>540,730</u>
Total mutual funds	<u>5,310,745</u>	<u>5,310,745</u>
Real estate investment trusts	<u>302,522</u>	<u>302,522</u>
Total investments reported on the fair value hierarchy	9,729,143	<u><u>\$ 9,729,143</u></u>
Cash and cash equivalents	<u>787,648</u>	
Total investments	<u><u>\$ 10,516,791</u></u>	



# YWCA Greenwich, Connecticut, Inc.

## Notes to Financial Statements

June 30, 2022 and 2021

	<b>Total Fair Value</b>	<b>Fair Value Measurements Using Quoted Prices in Active Markets for Identical Assets (Level 1)</b>
<b>June 30, 2021</b>		
Government obligations	\$ 291,598	\$ 291,598
Corporate obligations	686,844	686,844
Common stocks		
Domestic common stocks	3,229,043	3,229,043
International common stocks	904,409	904,409
Total common stocks	4,133,452	4,133,452
Mutual funds		
Domestic	4,027,532	4,027,532
International	1,328,216	1,328,216
Total mutual funds	5,355,748	5,355,748
Real estate investment trusts	551,895	551,895
Total investments reported on the fair value hierarchy	11,019,537	<u>\$ 11,019,537</u>
Cash and cash equivalents	1,223,872	
Total investments	<u>\$ 12,243,409</u>	

The following is a description of the valuation methodologies and inputs used for assets measured at fair value on a recurring basis and recognized in the accompanying statement of financial position, as well as the general classification of such assets pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the years ended June 30, 2022 and 2021.

# YWCA Greenwich, Connecticut, Inc.

## Notes to Financial Statements

June 30, 2022 and 2021

### **Investments**

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections, and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy. 100% of our investments are classified as Level 1.

### **Note 6: Loans Payable**

On March 27, 2020, President Trump signed into law the *Coronavirus Aid, Relief, and Economic Security Act*. On April 20, 2020, YWCA received a loan in the amount of \$750,000 (PPP 1) pursuant to the Paycheck Protection Program. On April 9, 2021, YWCA received a second loan in the amount of \$719,860 (PPP 2) pursuant to the Paycheck Protection Program. YWCA has elected to account for the funding as a loan in accordance with Accounting Standards Codification (ASC) Topic 470, *Debt*.

PPP 1 was due two years from the date of the first disbursement under the loan and had a fixed interest rate of 1% per year. On June 15, 2021, YWCA received a notice of full forgiveness on PPP 1, recognizing non-operating revenues of \$750,000. PPP 2 was due five years from the date of the first disbursement under the loan and has a fixed interest rate of 1% per year. On December 13, 2021, YWCA received a notice of full forgiveness on PPP 2, recognizing non-operating revenues of \$719,860.

On May 14, 2020, YWCA received a \$10,000 interest free loan from the State of Connecticut. The principal was due one year from receipt. During 2021, YWCA fully repaid the loan.

### **Note 7: Line of Credit**

In September 2020, YWCA entered into a \$2 million revolving line of credit with Wells Fargo Bank, N.A. At June 30, 2022 and 2021, there were no borrowings against the line. The line is collateralized by \$4,317,346 and \$5,025,698 of YWCA's investments at June 30, 2022 and 2021, respectively. There are no fees charged on the line other than interest on any amounts drawn on the line of credit. The interest rate on the line, as amended on July 29, 2021, is one and two-fifths percent (1.4%) above daily simple secured overnight financing rate published by the Federal Reserve Bank of New York. The line originally matured on July 31, 2021 but has been subsequently renewed through July 31, 2024.

# YWCA Greenwich, Connecticut, Inc.

## Notes to Financial Statements

June 30, 2022 and 2021

### Note 8: Multiemployer Pension Plan

YWCA contributes to a multiemployer cash balance defined benefit pension plan qualified under Section 401(a) of the Internal Revenue Code. The plan is administered by YWCA's Retirement Fund (a separate national corporation). The risks of participating in this multiemployer plan are different from single-employer plans in the following aspects:

- Assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers.
- If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers.
- If YWCA chooses to stop participating in its multiemployer plan, YWCA may be required to pay those plans an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

The actuarial present value of accumulated plan benefits and net assets available for benefits relating to YWCA's employees is not available because such information is not accumulated for each participating organization. As of December 31, 2021, based on information received from the plan, the plan was approximately 140% funded.

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 YWCAs can elect to contribute 10%, 7.5%, 5% or 3% of the employee's salary. Based on the level of YWCA's contributions, YWCA's Retirement Fund will match at 4%, 3%, 2%, and 1.2%, respectively. For the 2022 and 2021 fiscal year-ends, YWCA elected the 5% contribution rate. The pension expense for the years ended June 30, 2022 and 2021 was \$142,327 and \$135,990, respectively.

# YWCA Greenwich, Connecticut, Inc.

## Notes to Financial Statements

June 30, 2022 and 2021

### Note 9: Net Assets

#### *Net Assets With Donor Restrictions*

Net assets with donor restrictions at June 30 are restricted for the following purposes or periods:

	2022	2021
Subject to expenditure for specific purpose		
Playground	\$ -	\$ 211,254
Sexual Assault Services	150,421	-
Center for Equity and Justice	49,983	-
Domestic Abuse Services	225,771	-
Financial Aid	67,083	-
Promises to give, the proceeds from which have been restricted by donors for		
Center for Equity and Justice	-	49,983
Domestic Abuse Services	70,806	296,576
Financial Aid	195,534	262,618
	759,598	609,177
Subject to the passage of time		
Promises to give that are not restricted by donors but which are unavailable for expenditure until due	973,659	1,395,823
Endowments		
Subject to appropriation and expenditure when a specified event occurs		
Restricted by donors for		
Domestic Abuse Services	376,907	350,000
Racial Justice	250,000	250,000
Women's Economic Empowerment	200,000	200,000
Helen Wilshire Walsh - handicap accessibility	200,000	200,000
Promises to give, subject to YWCA's endowment spending policy and appropriation		
Domestic Abuse Services	50,000	100,000
Subject to YWCA's endowment spending policy and appropriation		
Domestic Abuse Services	7	57,497
Racial Justice	26,463	71,872
Women's Economic Empowerment	21,170	57,497
Helen Wilshire Walsh - handicap accessibility	21,170	57,497
Total endowments	1,145,717	1,344,363
	\$ 2,878,974	\$ 3,560,617

# YWCA Greenwich, Connecticut, Inc.

## Notes to Financial Statements

June 30, 2022 and 2021

### Net Assets Without Donor Restrictions

Net assets without donor restrictions at June 30 have been designated for the following purposes:

	<u>2022</u>	<u>2021</u>
Undesignated	\$ 6,124,428	\$ 5,276,373
Designated by the Board for endowment	<u>9,447,982</u>	<u>10,999,046</u>
	<u>\$ 15,572,410</u>	<u>\$ 16,275,419</u>

### Net Assets Released from Restrictions

Net assets were released from donor restrictions in June 30, 2022 by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors:

Playground	\$ 211,254
Domestic Abuse Services	23,093
Time restrictions	<u>422,164</u>
	<u>\$ 656,511</u>

### Note 10: Endowment

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.

As a result, YWCA classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions because those net assets are time restricted until the governing body appropriates such amounts for expenditures. Most of those net assets also are subject to purpose restrictions that must be met before being reclassified as net assets without donor restrictions.

Additionally, in accordance with UPMIFA, YWCA considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. Duration and preservation of the fund
2. Purposes of YWCA and the fund
3. General economic conditions

# YWCA Greenwich, Connecticut, Inc.

## Notes to Financial Statements

June 30, 2022 and 2021

4. Possible effect of inflation and deflation
5. Expected total return from investment income and appreciation or depreciation of investments
6. Other resources of YWCA
7. Investment policies of YWCA

YWCA's endowment consists of approximately five individual funds established for a variety of purposes. The income from the assets can be used to support Racial Justice, Women's Economic Advancement, Domestic Abuse Services and making the building handicapped accessible. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

In June 2021, YWCA's Board of Directors internally designated all investments without donor restrictions to be a board-designated endowment. This action was taken to align these assets with the intended support of future programming. No investments were bought/sold due to this reclassification from current to long-term assets. The investment and spending policies applicable to these assets did not change because of this reclassification.

In June 2021, the Board of Directors of YWCA designated assets to be invested as a quasi-endowment.

The composition of net assets by type of endowment fund at June 30 was:

	<b>2022</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Board-designated endowment fund	\$ 9,447,982	\$ -	\$ 9,447,982
Donor-restricted endowment funds			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	1,076,907	1,076,907
Accumulated investment gains	-	68,810	68,810
Endowment net assets, end of year	\$ 9,447,982	\$ 1,145,717	\$ 10,593,699
	<b>2021</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Board-designated endowment fund	\$ 10,999,046	\$ -	\$ 10,999,046
Donor-restricted endowment funds			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	1,100,000	1,100,000
Accumulated investment gains	-	244,363	244,363
Endowment net assets, end of year	\$ 10,999,046	\$ 1,344,363	\$ 12,343,409

**YWCA Greenwich, Connecticut, Inc.**  
**Notes to Financial Statements**  
**June 30, 2022 and 2021**

Change in endowment net assets for the years ended June 30, 2022 and 2021 were:

	<b>2022</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Endowment net assets, beginning of year	\$ 10,999,046	\$ 1,344,363	\$ 12,343,409
Released by donor	-	(23,093)	(23,093)
Investment return, net	(1,551,064)	(175,553)	(1,726,617)
Endowment net assets, end of year	<u>\$ 9,447,982</u>	<u>\$ 1,145,717</u>	<u>\$ 10,593,699</u>
	<b>2021</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Endowment net assets, beginning of year	\$ -	\$ 850,000	\$ 850,000
Investment return, net	-	244,363	244,363
Contributions	-	250,000	250,000
Other changes			
Transfer to create board-designated endowment	10,999,046	-	10,999,046
Endowment net assets, end of year	<u>\$ 10,999,046</u>	<u>\$ 1,344,363</u>	<u>\$ 12,343,409</u>

***Investment and Spending Policies***

YWCA has adopted investment and spending policies regarding its investment assets, including endowment funds, that attempt to provide a predictable stream of funding to programs and other items supported by its investment assets while seeking to maintain the purchasing power of the investment assets. Investment assets include those assets of donor-restricted endowment funds YWCA must hold in perpetuity. The investment policy to achieve this objective is to invest in diversified securities. Investment income earned in relation to the endowment funds is recorded as earnings without donor restrictions if it is released from restriction in the year it is earned.

YWCA has a spending policy of appropriating for expenditure each year 4% of its investments' average fair value over the prior twelve quarters through March 31 of the preceding year in which expenditure is planned. YWCA did not appropriate any earnings during fiscal year 2022 and 2021. In addition, the overall spending policy also allows for the funding of capital expenditures in excess of depreciation and funding other special activities that may arise. The spending policy is reviewed at least annually by the Executive, Finance and Investment Committees. Any amendment to the policy must be approved by the Board of Directors. The Board of Directors approves the planned spending policy amounts during its approval of the upcoming budget.

***Underwater Endowments***

At June 30, 2022 and 2021, YWCA does not have any underwater endowment funds.

# **YWCA Greenwich, Connecticut, Inc.**

## **Notes to Financial Statements**

**June 30, 2022 and 2021**

### **Note 11: Revenue from Contracts with Participants and Members**

#### ***Program Revenue***

Revenue from contracts with participants for fees for program services is reported at the amount that reflects the consideration to which YWCA expects to be entitled in exchange for providing fitness and aquatics programs, childhood education programs, and other programs.

Revenue is recognized as performance obligations are satisfied, which is ratably over the program term. Generally, YWCA bills prior to the beginning of the program upon registration. Certain programs may have billing dates.

#### ***Membership Dues Revenue***

Revenue from contracts with members for dues is reported at the amount that reflects the consideration to which YWCA expects to be entitled in exchange for providing access to membership services.

Revenue is recognized as performance obligations are satisfied, which is ratably over the membership term. Generally, YWCA has an annual membership where the members are billed monthly.

#### ***Special Events Revenue***

Revenue from special events is reported at the amount that reflects the consideration to which YWCA expects to be entitled in exchange for the direct cost of the benefits received by the participant at the event. These revenues are recognized over time.

#### ***Transaction Price and Recognition***

YWCA determines the transaction price based on standard charges for services provided, reduced by discounts provided in accordance with YWCA's policy. YWCA determines its estimates of explicit price concessions based on its discount policies.

YWCA has determined that the nature, amount, timing and uncertainty of revenue, and cash flows are affected by YWCA's line of business that provided the services.

For the years ended June 30, 2022 and 2021, YWCA recognized revenue of \$3,692,299 and \$2,320,410, respectively, from services that transfer to the participants and members over time, and special event income of \$369,042 and \$0, respectively, that transfer to the attendees over time.

From time to time, YWCA may cancel programs as required by governmental regulations, resulting in amounts owed back to the participant. These amounts are excluded from revenues and are recorded as liabilities until they are refunded. As of June 30, 2022 and 2021, YWCA has a liability for refunds to participants recorded of \$0 and \$57,378, respectively.



# YWCA Greenwich, Connecticut, Inc.

## Notes to Financial Statements

June 30, 2022 and 2021

### Contract Balances

The following table provides information about YWCA's receivables and contract liabilities from contracts with participants:

	<u>2022</u>	<u>2021</u>
Accounts receivable, beginning of the year	\$ 8,515	\$ 48,022
Accounts receivable, end of the year	54,242	14,936
Contract liabilities, beginning of the year	892,609	214,895
Contract liabilities, end of the year	946,259	892,609

### Performance Obligations and Transaction Price

Because all of its performance obligations relate to contracts with a duration of less than one year, YWCA has elected to apply the optional exemption provided in the Financial Accounting Standards Board (FASB) ASC 606-10-50-14(a) and, therefore, is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period. The unsatisfied or partially unsatisfied performance obligations referred to above are primarily related to classes starting in the next six months. The performance obligations for these contracts are generally completed when the classes are completed.

### Financing Component

YWCA has elected the practical expedient allowed under FASB ASC 606-10-32-18 and does not adjust the promised amount of consideration from participants for the effects of a significant financing component due to YWCA's expectation that the period between the time the service is provided to a participant and the time the participants pay for that service will be one year or less.

### Note 12: Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year, comprise the following:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 2,361,622	\$ 2,496,167
Campaign contributions receivable	870,000	865,000
Contributions, grants and program receivables	<u>345,807</u>	<u>218,419</u>
Financial assets available to meet general expenditures within one year	<u>\$ 3,577,429</u>	<u>\$ 3,579,586</u>

# YWCA Greenwich, Connecticut, Inc.

## Notes to Financial Statements

June 30, 2022 and 2021

YWCA receives significant contributions restricted by donors and considers contributions restricted for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. For the years ended June 30, 2022 and 2021, restricted contributions of \$870,500 and \$815,000, respectively, were included in financial assets available to meet cash needs for general expenditures within one year.

YWCA's endowment funds consist of donor-restricted endowments and funds designated by the board as endowments. Income from donor-restricted endowments is not available for general use but is used to fund specific expenses authorized by the funds.

The board-designated endowment is subject to an annual spending rate as described in *Note 10*. Although YWCA does not intend to spend from this board-designated endowment (other than amounts appropriated for general expenditure as part of the Board's annual budget approval and appropriation), these amounts could be made available if necessary. To help manage unanticipated liquidity needs, YWCA has a committed line of credit in the amount of \$2 million which it could draw upon.

YWCA manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. YWCA monitors liquidity and cash flows on an ongoing basis to ensure an appropriate amount of cash and cash equivalents are available to meet current expenditure needs. Management reports its financial position regularly to different committees of the Board and to the whole Board.

### **Note 13: Significant Estimates and Concentrations**

GAAP require disclosure of certain significant estimates and current vulnerabilities due to certain concentrations. Those matters include the following:

#### ***Grants and Contributions***

Approximately, 20% and 29% of all grants and contributions were received from one donor in 2022 and 2021, respectively. Approximately, 58% and 53% of the grant and contribution receivables are due from two donors as of June 30, 2022 and 2021, respectively.

#### ***Pension Benefit Obligations***

YWCA contributions to a multiemployer defined benefit pension plan whereby it agrees to provide certain postretirement benefits to eligible employees. The benefit obligation is the actuarial present value of all benefits attributed to service rendered prior to the valuation date based on the projected unit credit cost method. It is reasonably possible that events could occur which could result in higher contributions by YWCA into the plan.

# **YWCA Greenwich, Connecticut, Inc.**

## **Notes to Financial Statements**

**June 30, 2022 and 2021**

### ***Investments***

YWCA invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit 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 and that such changes could materially affect the amounts reported in the accompanying statements of financial position.

### **Note 14: Subsequent Events**

Subsequent events have been evaluated through September 28, 2022, which is the date the financial statements were available to be issued.