THE YOUNG WOMEN'S CHRISTIAN ASSOCIATION
OF THE CITY OF NEW YORK

FINANCIAL STATEMENTS

JUNE 30, 2019

THE YOUNG WOMEN'S CHRISTIAN ASSOCIATION
OF THE CITY OF NEW YORK

CONTENTS

INDEPENDENT AUDITORS' REPORT

To The Board of Directors
The Young Women's Christian Association
of the City of New York
New York, New York

Report on the Financial Statements

We have audited the accompanying financial statements of The Young Women's Christian Association of the City of New York, which comprise the statement of financial position at June 30, 2019, 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.

Auditors' 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.

www.grassicpas.com
An Independent Firm Associated with Moore Stephens International Limited
488 Madison Avenue, 21st Floor
New York, NY 10022
(212) 661-6166 ▪ Fax (212) 755-6748
Offices: New York, NY; Jericho, NY; Park Ridge, NJ; White Plains, NY; Ronkonkoma, NY

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Young Women's Christian Association of the City of New York at June 30, 2019, and the changes in its net assets and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2 to the financial statements, The Young Women's Christian Association of the City of New York adopted Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") No. 2016-14. Our opinion is not modified with respect to this matter.

Grassi & Co., CPAs, P.C.

GRASSI & CO., CPAs, P.C.

New York, New York
December 27, 2019

THE YOUNG WOMEN'S CHRISTIAN ASSOCIATION
OF THE CITY OF NEW YORK
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2019

ASSETS

Cash	$	229,835
Investments		4,205,803
Government and other contract receivable, net		718,788
Prepaid expenses and other assets		93,829
Beneficial interest in perpetual trust		1,233,301
Fixed assets, net		56,997
TOTAL ASSETS	$	6,538,553

LIABILITIES AND NET ASSETS

Liabilities:		
Accounts payable and accrued expenses	$	372,754
Deferred rent payable		34,100
Line of credit payable		1,855,712
TOTAL LIABILITIES		2,262,566
Commitments and Contingencies		
Net Assets:		
Without donor restrictions		
Operating		1,447,134
Investment in fixed assets		56,997
Total without donor restrictions		1,504,131
With donor restrictions		
Restricted for specific purpose		96,685
Restricted by perpetual trust		1,233,301
Restricted in perpetuity - endowment		1,441,870
Total with donor restrictions		2,771,856
TOTAL NET ASSETS		4,275,987
TOTAL LIABILITIES AND NET ASSETS	$	6,538,553

The accompanying notes are an integral part of these financial statements.

THE YOUNG WOMEN'S CHRISTIAN ASSOCIATION
OF THE CITY OF NEW YORK
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING PUBLIC SUPPORT AND REVENUE:			
Public Support:			
Contributions			
Individuals	$ 10,757	$ -	$ 10,757
Corporations	29,554	-	29,554
Foundations	84,233	36,000	120,233
Special events net of direct costs of $79,705	334,704	-	334,704
Total Public Support	459,248	36,000	495,248
Revenue:			
Government contracts	2,835,940	-	2,835,940
Investment return designated for operations	1,375,000	-	1,375,000
Write-off of deferred rent	592,144	-	592,144
Investment income	131,656	-	131,656
Change in beneficial interest in perpetual trust	-	6,688	6,688
Other revenue	29,557	-	29,557
Total Revenue	4,964,297	6,688	4,970,985
Net assets released from restriction	224,921	(224,921)	-
TOTAL OPERATING PUBLIC SUPPORT AND REVENUE	$ 5,648,466	$ (182,233)	$ 5,466,233

The accompanying notes are an integral part of these financial statements.

THE YOUNG WOMEN'S CHRISTIAN ASSOCIATION
OF THE CITY OF NEW YORK
STATEMENT OF ACTIVITIES (CONT'D.)
FOR THE YEAR ENDED JUNE 30, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING EXPENSES:			
Program Services:			
Youth Services	$ 3,029,570	$ -	$ 3,029,570
Girls Initiative	362,975	-	362,975
Total Program Services	3,392,545	-	3,392,545
Support Services:			
Management and General	1,258,331	-	1,258,331
Development	603,730	-	603,730
Total Support Services	1,862,061	-	1,862,061
Total Operating Expenses	5,254,606	-	5,254,606
CHANGE IN NET ASSETS FROM OPERATIONS	393,860	(182,233)	211,627
Nonoperating Activities:			
Disposition of fixed assets	(171,863)	-	(171,863)
Investment return in excess of amounts designated for operations	(1,271,461)	141,861	(1,129,600)
Total Nonoperating Activities	(1,443,324)	141,861	(1,301,463)
CHANGE IN NET ASSETS (DEFICIT)	(1,049,464)	(40,372)	(1,089,836)
NET ASSETS, BEGINNING OF YEAR	2,553,595	2,812,228	5,365,823
NET ASSETS, END OF YEAR	$ 1,504,131	$ 2,771,856	$ 4,275,987

The accompanying notes are an integral part of these financial statements.

THE YOUNG WOMEN'S CHRISTIAN ASSOCIATION
OF THE CITY OF NEW YORK
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2019

	Program Services			Supporting Services				
	Youth Services	Girls Initiative	Total Program Services	Management and General	Development	Total Support Services	Direct Cost of Special Events	Total
Salaries, wages and instructors' fees	$ 1,949,533	$ 183,833	$ 2,133,366	$ 267,285	$ 181,040	$ 448,325	$ -	$ 2,581,691
Employee benefits and payroll taxes	381,466	35,700	417,166	52,378	35,477	87,855	-	505,021
Occupancy	130,323	47,778	178,101	149,177	49,726	198,903	-	377,004
Professional fees	230,233	27,255	257,488	473,369	259,299	732,668	-	990,156
Equipment and software	42,623	8,790	51,413	15,792	9,953	25,745	-	77,158
Supplies and services	40,106	6,518	46,624	12,128	4,195	16,323	-	62,947
Printing and artwork	-	-	-	300	19,510	19,810	-	19,810
Advertising	-	-	-	-	21,300	21,300	-	21,300
Telephone	16,951	17,964	34,915	36,973	-	36,973	-	71,888
Postage and shipping	59	-	59	3,342	1,350	4,692	-	4,751
Food and beverage	5,243	4,669	9,912	7,018	292	7,310	-	17,222
Conference, conventions and meetings	-	-	-	25,860	7,349	33,209	79,705	112,914
Travel and admission	204,015	13,277	217,292	6,782	-	6,782	-	224,074
Permits and fees	401	17	418	4,892	-	4,892	-	5,310
Interest expense and bank fees	-	-	-	85,475	-	85,475	-	85,475
Depreciation and amortization	-	-	-	73,711	-	73,711	-	73,711
Other	28,617	17,174	45,791	32,832	14,239	47,071	-	92,862
Bad debt	-	-	-	11,017	-	11,017	-	11,017
Total Expenses	3,029,570	362,975	3,392,545	1,258,331	603,730	1,862,061	79,705	5,334,311
Less: Direct cost of special events	-	-	-	-	-	-	(79,705)	(79,705)
Total Expenses Reported by Function on the Statement of Activities	$ 3,029,570	$ 362,975	$ 3,392,545	$ 1,258,331	$ 603,730	$ 1,862,061	$ -	$ 5,254,606

The accompanying notes are an integral part of these financial statements.

THE YOUNG WOMEN'S CHRISTIAN ASSOCIATION
OF THE CITY OF NEW YORK
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2019

CASH FLOWS FROM OPERATING ACTIVITIES:	
Change in net assets	$ (1,089,836)
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Depreciation and amortization	73,711
Bad debt expense	11,017
Realized gains on sale of investments	(439,130)
Unrealized losses on investments	194,884
Change in beneficial interest in perpetual trust	(6,688)
Deferred rent payable	(741,020)
Changes in assets decrease:	
Contribution receivable	24,957
Government and other contract receivable	413,242
Prepaid expenses and other assets	36,451
Changes in liabilities (decrease):	
Accounts payable and accrued expenses	(324,665)
Deferred revenue	(13,111)
Net Cash Used in Operating Activities	(1,860,188)
CASH FLOWS FROM INVESTING ACTIVITIES:	
Proceeds from sale of investments	1,876,890
Disposal of fixed assets	171,863
Purchase of fixed assets	(21,384)
Net Cash Provided by Investing Activities	2,027,369
CASH FLOWS FROM FINANCING ACTIVITIES:	
Proceeds from line of credit payable	85,475
Principal payments of line of credit	(625,000)
Net Cash Used in Financing Activities	(539,525)
NET DECREASE IN CASH	(372,344)
CASH, BEGINNING OF YEAR	602,179
CASH, END OF YEAR	$ 229,835
SUPPLEMENTAL CASH FLOW INFORMATION:	
Cash paid during the year for interest	$ 85,475

The accompanying notes are an integral part of these financial statements.

Note 1 - <u>Nature of Organization</u>

The Young Women's Christian Association of the City of New York (the "YW-NYC") is dedicated to eliminating racism, empowering women and promoting peace, justice, freedom and dignity for all. Established in 1858, the YW-NYC is one of the nation's oldest organizations committed to the personal and social development of women, their families, and their communities. In honor of this history, and in service to its mission, the YW-NYC currently provides leadership and advocacy training for young women through its Girls Initiatives, and after school and summer camps for elementary and middle school students in culturally diverse communities in New York City. The YW-NYC is primarily funded by government contracts, non-government grants, individual donors and investment income.

The YW-NYC is incorporated as a not-for-profit organization, and is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and from state and local taxes under comparable laws.

Note 2 - <u>Summary of Significant Accounting Policies</u>

<u>Adoption of FASB ASU No. 2016-14 - *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*</u>

Effective July 1, 2018, YW-NYC adopted the provisions of Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") No. 2016-14. The ASU provided for changes in financial statement presentation that affect classification of net assets and presentation of expenses. It also provided for enhanced disclosures of methods used to allocate costs among functions, and available resources and liquidity.

<u>Basis of Accounting</u>

The financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

<u>Use of Estimates</u>

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 2 - Summary of Significant Accounting Policies (cont'd.)

Fair Value of Financial Instruments

Fair value is defined as 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. To increase the comparability of fair value measurements, a three-tier fair value hierarchy, which prioritizes the inputs used in the valuation methodologies, is as follows:

Level 1 - Valuations based on quoted prices for identical assets and liabilities in active markets.

Level 2 - Valuations based on observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data.

Level 3 - Valuations based on unobservable inputs reflecting the YW-NYC's own assumptions, consistent with reasonably available assumptions made by other market participants. These valuations require significant judgment.

At June 30, 2019, the fair value of the YW-NYC's financial instruments, including cash, government and other contract receivable, and accounts payable and accrued expenses, approximated book value due to the short maturity of these instruments.

Refer to Note 4 - Fair Value Measurements for assets measured at fair value.

Investments

Investments are reported at fair value, with gains and losses included in the accompanying statement of activities. Net investment income is recorded as net assets without donor restrictions unless specifically restricted by the donors. Contributions of marketable securities are recorded at their market values at the date of donation.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation or depreciation includes gains and losses on investments bought and sold as well as held during the year.

Beneficial Interest in Perpetual Trust

The YW-NYC is a beneficiary of a perpetual trust held by another entity as trustee. The YW-NYC's beneficial interest in this trust is recorded at the fair value of the assets underlying the trust at the statement of financial position date.

Note 2 - Summary of Significant Accounting Policies (cont'd.)

Fixed Assets

Fixed assets are stated at cost. The YW-NYC capitalizes all purchases of property and equipment equal to or in excess of $5,000. Repairs and maintenance are charged to expense in the period incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets as follows:

Equipment and software	5 to 10 years
Furniture	5 to 10 years

Leasehold improvements are amortized on a straight-line basis over the estimated useful life of the improvement or the term of the lease, whichever is less.

Net Assets

Net assets without donor restrictions include funds having no restrictions as to use or purpose imposed by the donors. The following "categories of funds" are represented as without donor restriction:

- Operating - used to account for the general activity of the YW-NYC.

- Investment in fixed assets - represents the net book value of fixed assets.

Net assets with donor restrictions are those whose use has been limited by donors to a specific time period or purpose, or those net assets whose principal may or may not have been expended, the income from which is expendable to support general operations.

Government Contracts and Non-Government Grants

The YW-NYC records revenue from government and other contracts as the underlying work is performed, as these contracts are structured as exchange transactions and not as donor restricted or without donor restricted grants.

Contributions

Contributions received and unconditional promises to give are recorded as public support at fair value in the period received and are considered to be net assets without donor restrictions unless specifically restricted by the donor. Contributions are recorded net of estimated uncollectible amounts. Conditional contributions are recognized as revenue when the conditions on which they depend have been substantially met.

Note 2 - Summary of Significant Accounting Policies (cont'd.)

Contributions (cont'd.)

The YW-NYC records contributions as donor restricted if they are received with donor stipulations that limit their use either through purpose or time restrictions. When donor restrictions expire, that is, when a time restriction ends or a purpose restriction is fulfilled, 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. Restricted contributions received and expended in the same fiscal year are reflected as without donor restricted revenues.

Allowance for Doubtful Accounts

The YW-NYC determines whether an allowance for doubtful accounts should be provided for contributions receivable and for government and other contract receivables. Such estimates are based on management's assessment of the aged basis of the receivables, current economic conditions and historical information. Contributions receivable are written off against the allowance for doubtful accounts when all reasonable collection efforts have been exhausted. Interest is not charged on outstanding receivables. The allowance for doubtful accounts and bad debt expense are either increased or decreased based upon management's assessment of the potential future uncollectible receivables at June 30, 2019. The YW-NYC has established an allowance for doubtful accounts on contributions of $5,000 and on government grants and other contracts of $11,017 at June 30, 2019.

Deferred Revenue

Contract and other revenue received in advance is deferred and recorded as revenue when the expenditures are incurred and revenue is earned.

Functional Expenses

The costs of providing the YW-NYC's various programs and supporting services have been summarized on a functional basis in the statement of activities. Those expenses include salaries and fringe benefits and occupancy. Salaries and fringe benefits are allocated across programs based on the proportional share of the employee's full-time equivalent charged to that program or prescribed time study methodology. Occupancy is allocated based on the usable square footage charged to that program.

Operating Measure

Operating revenues and expenses reflect the activities in which the YW-NYC engages in order to fulfill its mission. Investment income in excess of amounts designated for operations is considered nonoperating.

Note 2 - Summary of Significant Accounting Policies (cont'd.)

Accounting for Uncertainty in Income Taxes

The YW-NYC applies the provisions pertaining to uncertain tax provisions under FASB Accounting Standards Codification ("ASC") Topic 740 and has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements. The YW-NYC believes it is no longer subject to income tax examinations for years prior to 2016.

New Accounting Pronouncements

ASU No. 2018-08

In June 2018, the FASB issued ASU No. 2018-08, *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*, which will assist organizations in evaluating the transfer of assets and the nature of the related transaction. Organizations will be required to determine whether transactions should be accounted for as contributions (nonreciprocal transactions) or as exchange (reciprocal) transactions and if a contribution is conditional. The guidance in this ASU requires that organizations determine whether a contribution is conditional based on whether an agreement includes a barrier that must be overcome and either a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets. The presence of both indicates that the recipient is not entitled to the transferred assets or a future transfer of assets until it has overcome any barriers in the agreement.

For nonpublic entities who are recipients, the amendments of ASU No. 2018-08 are effective for annual reporting periods beginning after December 15, 2018, and interim periods within annual periods beginning after December 15, 2019. Early application is permitted.

ASU No. 2016-02

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*. This ASU is the result of a joint project of the FASB and the International Accounting Standards Board ("IASB") to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements for U.S. GAAP and International Financial Reporting Standards ("IFRS"). The guidance in this ASU affects any entity that enters into a lease (as that term is defined in this ASU), with some specified scope exemptions. The guidance in this ASU will supersede FASB ASC Topic 840, *Leases*.

The ASU provides that lessees should recognize lease assets and lease liabilities on the balance sheet for leases previously classified as operating leases that exceed 12 months, including leases existing prior to the effective date of this ASU. It also calls for enhanced leasing arrangement disclosures.

For nonpublic entities, the amendments of ASU No. 2016-02 are effective for annual reporting periods beginning after December 15, 2020, and interim periods within annual periods beginning after December 15, 2021, based on the FASB's vote at its October 16, 2019 meeting to defer the implementation dates by one year. Early application is permitted for all entities.

Note 2 - Summary of Significant Accounting Policies (cont'd.)

New Accounting Pronouncements (cont'd.)

ASU No. 2014-09

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*. This ASU is the result of a joint project of the FASB and the IASB to clarify the principles for recognizing revenue and to develop a common revenue standard for U.S. GAAP and IFRS. The guidance in this ASU affects any entity that either enters into contracts with customers to transfer goods or services or enters into contracts for the transfer of nonfinancial assets unless those contracts are within the scope of other standards.

The ASU provides that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity should apply the following five-step process to recognize revenue:

Step 1: Identify the contract with a customer.
Step 2: Identify the performance obligations in the contract.
Step 3: Determine the transaction price.
Step 4: Allocate the transaction price to the performance obligations in the contract.
Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

For nonpublic entities, the amendments of ASU No. 2014-09 are effective for annual reporting periods beginning after December 15, 2018, and interim periods within annual periods beginning after December 15, 2019. Early application is permitted under certain circumstances.

The YW-NYC has not yet determined if these ASUs will have a material effect on its financial statements.

Note 3 - Investments

Investments are reported at fair value and are comprised of the following:

	Fair Value	Cost
Cash and money market	$ 29,693	$ 29,693
Mutual funds	4,176,110	3,407,401
	$ 4,205,803	$ 3,437,094

Note 3 - Investments (cont'd.)

Investment returns for the year ended June 30, 2019 are calculated as follows:

Interest and dividends from investments	$ 1,154
Realized gains on sale of investments	439,130
Unrealized losses on investments	(194,884)
Total return on investments	$ 245,400
Investment return designated for current operations	$ 1,375,000
Investment return in excess of amounts designated for current operations	(1,129,600)
	$ 245,400

The Board of Directors (the "Board") has authorized the YW-NYC to recognize as income for operating purposes a spending rate (or specified amount) that is approved by the Board. This amount is classified as investment return designated for current operations in the statement of activities. The spending policy is reviewed and adjusted annually by the Board as it deems appropriate and in keeping with the investment objectives and needs of the YW-NYC.

The YW-NYC has established the following objectives for its investments: (1) maintain, and if possible increase, the purchasing power of current assets and all future contributions; (2) maintain a constant funding-support-ratio; (3) apply a smoothing rule to mitigate the effect of short-term market volatility on spending; (4) maximize return within reasonable and prudent levels of risk; and (5) maintain an appropriate asset allocation based on a total return policy.

Note 4 - Fair Value Measurements

The YW-NYC measures its investments at fair value. Fair value is an exit price, representing the amount that would be received on the sale of an asset or that would be paid to transfer a liability in an orderly transaction between market participants. As a basis for considering such assumptions, a three-tier fair value hierarchy is used which prioritizes the inputs in the valuation methodologies in measuring fair value.

Fair Value Hierarchy

The methodology for measuring fair value specifies a hierarchy of valuation techniques based upon whether the inputs to those valuation techniques reflect assumptions other market participants would use based upon market data obtained from independent sources (observable inputs) or reflect the YW-NYC's own assumptions of market participant valuation (unobservable inputs).

Note 4 - Fair Value Measurements (cont'd.)

Fair Value Hierarchy (cont'd.)

Mutual funds are valued at the daily closing price as reported by the fund. Mutual funds held by the YW-NYC are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value ("NAV") and to transact at that price. The mutual funds held by the YW-NYC are deemed to be actively traded.

Assets using Level 3 inputs consist of the YW-NYC's beneficial interest in perpetual trust. The beneficial interest in perpetual trust is valued utilizing the net asset value of the YW-NYC's interest in the trust. The underlying holdings of the trust are primarily marketable securities which are valued based on quoted prices for identical assets and liabilities in active markets.

The preceding methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the YW-NYC 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.

Items Measured at Fair Value on a Recurring Basis

The following table presents the YW-NYC's assets that are measured at fair value on a recurring basis at June 30, 2019:

	Total	Level 1	Level 2	Level 3
Cash and money market	$ 29,693	$ 29,693	$ -	$ -
Mutual funds	4,176,110	4,176,110	-	-
	4,205,803	4,205,803	-	-
Beneficial interest in perpetual trust	1,233,301	-	-	1,233,301
	$ 5,439,104	$ 4,205,803	$ -	$ 1,233,301

The following is a reconciliation of the beginning and ending balances for assets measured at fair value using significant unobservable inputs (Level 3):

Balance, beginning of year	$ 1,226,613
Unrealized gain	6,688
Balance, end of year	$ 1,233,301

Note 5 - Beneficial Interest in Perpetual Trust

The YW-NYC is the beneficiary of the Ruby B. Fleming perpetual trust held by a third party. The income generated on the trust is payable annually at 11.11% of the corpus to the YW-NYC. The contribution is classified as restricted in perpetuity - endowment and the annual distributions are reported as without donor restricted interest and dividends.

Note 6 - Endowment Fund

General

The YW-NYC's endowment consists of a donor restricted fund established primarily to provide long-term support for its charitable programs. As required by U.S. GAAP, net assets associated with the endowment fund are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The State of New York enacted the New York Prudent Management of Institutional Funds Act ("NYPMIFA"), a modified version of the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"). The YW-NYC has evaluated the effect of NYPMIFA on the investments, appropriation and management of institutional funds and is establishing procedures to comply with its provisions.

The YW-NYC interprets state law as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the YW-NYC (a) classifies as net assets with donor restrictions the original value of gifts donated 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 to the fund.

The YW-NYC has considered the following factors in making a determination to appropriate or calculate donor-restricted endowment funds:

1. Duration of the fund
2. General purposes of the organization and the donor-restricted endowment funds
3. General economic conditions
4. Possible effect of inflation or deflation
5. Expected total return from income and appreciation of investments
6. Other resources of the organization
7. Investment policy of the organization

Note 6 - Endowment Fund (cont'd.)

Return Objectives, Strategies Employed and Spending Policy

Subject to any restrictions imposed by the donor of a gift on expenditure of principal, income or use of the donated assets, the YW-NYC utilizes a total return investment approach with its asset allocation diversified over multiple asset classes. Target allocation percentages are established for various asset classes and are modified over time. Performance is measured against a composite benchmark of investment indices reflecting the target asset allocation. In recent years, the YW-NYC has followed a policy of budgeting the spending of 4% of the trailing three-year average of its endowment funds, subject to abiding by the purpose and other restrictions of certain of the funds. Under this policy, as approved by the YW-NYC's Board, the endowment assets are invested in a number of different asset classes and investment strategies to diversify the investments to provide a balance that will enhance the long-term total return of the overall investment portfolio while avoiding undue risk or concentration in any single asset class or investment category.

Endowment assets include those assets of certain donor-restricted funds contributed prior to September 17, 2010 which the YW-NYC must hold in perpetuity, preserving the original principal amount and, in some cases, spending only the income generated by such assets in accordance with the donor's instructions. Where the gifts have been so restricted, while assets are invested in accordance with the above philosophy of diversification and asset allocation, only the net appreciation and income are utilized for YW-NYC programs and, in some cases, only the income is utilized.

The following is a reconciliation of the activity in the donor-restricted endowment funds for the year ended June 30, 2019:

	Accumulated Unspent Earnings	Original Donor Gifts	Total
Balance, July 1, 2018	$ 524,005	$ 838,217	$ 1,362,222
Investment income, net	141,861	-	141,861
Releases	(31,190)	(31,023)	(62,213)
Balance, June 30, 2019	$ 634,676	$ 807,194	$ 1,441,870

Note 7 - Fixed Assets

Fixed assets, net consist of the following:

Equipment and software	$ 127,337
Furniture	1,109
	128,446
Less: Accumulated depreciation and amortization	71,449
	$ 56,997

Depreciation and amortization expense related to fixed assets totaled $73,711 for the year ended June 30, 2019.

Note 8 - Line of Credit

The YW-NYC has available a $5,000,000 line of credit with its investment manager. The line of credit has an interest rate equal to the 30-day LIBOR plus 1.75% (totaling 4.15% at June 30, 2019) and is collateralized by the investment accounts of the YW-NYC. At June 30, 2019, the YW-NYC had outstanding balances of $1,855,712. Interest expense for the year ended June 30, 2019 was $85,475.

Note 9 - Concentration of Credit Risk

The YW-NYC maintains cash balances in several financial institutions, which are insured by the Federal Deposit Insurance Corporation ("FDIC") for up to $250,000 per institution. From time to time, the YW-NYC's balances may exceed these limits.

Note 10 - Net Assets With Donor Restrictions and Net Assets Released From Restrictions

The following is a summary of the net assets that were added and released from donor restrictions during the year ended June 30, 2019:

	Beginning Balance	Additions	Releases	Ending Balance
Youth Services	$ 30,016	$ -	$ -	$ 30,016
Geek Girls	72,500	36,000	(88,500)	20,000
Development & Communications	120,877	-	(74,208)	46,669
Restricted for specific purpose	223,393	36,000	(162,708)	96,685
Restricted in perpetuity - endowment	1,362,222	141,861	(62,213)	1,441,870
	$ 1,585,615	$ 177,861	$ (224,921)	$ 1,538,555

Note 11 - Retirement Plans

The YW-NYC contributes to YWCA Retirement Fund, Inc., a multiemployer defined benefit pension plan, under the terms of a participation agreement for its employees. The risks of participating in this multiemployer plan are different from a single-employer plan in the following aspects:

a. Assets contributed to the plan by one employer may be used to provide benefits to employees of other participating employers.

b. If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers.

c. If the YW-NYC chooses to stop participating in its multiemployer plan, then it may be required to pay an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

The YW-NYC's participation in this plan for the annual period ended June 30, 2019, is outlined in the table below. The "EIN/Pension Plan Number" column provides the Employer Identification Number ("EIN") and the three-digit plan number, if applicable. The most recent Pension Protection Act ("PPA") zone status available in 2019 is for the plan's year-end at December 31, 2018.

The zone status is based on information that the YW-NYC received from the plan and is certified by the plan's actuary. Among other factors, plans in the red zone are generally less than 65 percent funded, plans in the yellow zone are 65 percent to 80 percent funded, and plans in the green zone are at least 80 percent funded.

The "FIP/RP Status Pending/Implemented" column indicates plans for which a financial improvement plan ("FIP") or a rehabilitation plan ("RP") is either pending or has been implemented. The last column lists the expiration date of the collective-bargaining agreement to which the plan is subject. Finally, the number of employees covered by the YWCA multiemployer plan decreased from 2018 to 2019, affecting the year-over-year comparability of the contributions. The significant reduction in covered employees corresponds to a reduction in overall business.

Pension Fund	EIN/ Pension Plan Number	Pension Protection Act Zone Status	FIP/RP Status Pending / Implemented	Contributions for the Year Ended June 30, 2019	Surcharge Imposed	Expiration Date of Collective - Bargaining Agreement
YWCA Retirement Fund, Inc.	13-1624231	Green	N/A	$ 43,337	N/A	N/A

The YW-NYC also offers a retirement plan, YWCA NYC 403 (b) Plan for eligible participants to contribute their own money to the plan on a tax deferred basis through payroll deductions.

Note 12 - Commitments and Contingencies

Lease Commitment

Future minimum annual rental commitments under the office space lease, for years subsequent to June 30, 2019, are as follows:

Years Ending June 30:		
2020	$	179,169
2021		184,521
2022		189,586
2023		194,794
2024		200,182
Thereafter		416,995
	$	1,365,247

Total rent expense was $307,357 for the year ended June 30, 2019.

Government Grants

The YW-NYC has contracted with various funding agencies to perform services and receives reimbursements from state and city governments. Reimbursements received under these contracts and payments are subject to audit by the city and state governments. Upon audit, if discrepancies are discovered, the YW-NYC could be held responsible for refunding the amounts in question. The YW-NYC records such adjustments when the final audit amount is determined. At June 30, 2019, there were no material obligations as a result of such audits, and the YW-NYC's management believes that unaudited activities will not result in any material obligations. In the opinion of the YW-NYC's management, any liabilities that might be incurred would not have a material effect on the YW-NYC's financial position or results of operations.

Litigation

The YW-NYC is involved in litigation arising during the normal course of business. Management estimates that such matters will be resolved without a material adverse effect on the YW-NYC's future financial position, liquidity and results from operations.

Note 13 - Management's Plans and Intentions for Future Operations

The YW-NYC incurred a deficit for the year ended June 30, 2019 of $1,089,836. In addition, during the fiscal year, the YW-NYC also terminated the existing lease agreement and entered into a new lease agreement for a substantial reduction in rent expense. Management will continue to explore all opportunities to improve operating results, reduce operating costs, increase working capital, repay its obligations and increase unrestricted funding. Management believes that it is taking the appropriate and corrective actions to remedy the aforementioned deficits.

Note 14 - Available Resources and Liquidity

The YW-NYC regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The YW-NYC has various sources of liquidity at its disposal, including cash, investments and a line of credit. See Note 8 for information about the YW-NYC's line of credit.

The following reflects the YW-NYC's financial assets as of the statement of financial position date, reduced by amounts not available for general use within one year of the statement of financial position date because of contractual or donor-imposed restrictions or internal designations.

Cash	$ 229,835
Investments	4,205,803
Government and other contract receivable, net	718,788
Total financial assets	5,154,426
Less: Donor restrictions for specific purposes	
Restricted for specific purpose	96,685
Restricted in perpetuity - endowment	1,441,870
Financial assets available to meet cash needs for general expenditures within one year	$ 3,615,871

Note 15 - Subsequent Events

The YW-NYC has evaluated all events or transactions that occurred after June 30, 2019 through December 27, 2019, which is the date that the financial statements were available to be issued. During this period, there were no material subsequent events requiring disclosure.