YAPlus d/b/a Yoga Alliance
Yoga Alliance Registry
d/b/a Yoga Alliance Foundation

Combined Financial Report
December 31, 2021

Contents

Independent Auditor's Report

Board of Directors
YAPlus d/b/a Yoga Alliance
Yoga Alliance Registry d/b/a Yoga Alliance Foundation

Opinion
We have audited the combined financial statements of YAPlus d/b/a Yoga Alliance and the Yoga Alliance Registry d/b/a Yoga Alliance Foundation (collectively, the Organizations) which comprise the combined statement of financial position as of December 31, 2021, the related combined statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the combined financial statements (collectively, the financial statements).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organizations as of December 31, 2021, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion
We conducted our audit 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 the Organizations and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Matter
The financial statements of the Organizations, as of and for the year ended December 31, 2020, were audited by other auditors, whose report, dated September 13, 2021, expressed an unmodified opinion on those statements.

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 the Organizations' ability to continue as a going concern within one year after the date that the financial statements are issued or 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 the Organizations' 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 the Organizations' 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.

Other Information Included in the Annual Report
Management is responsible for the other information included in the annual report. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

RSM US LLP

October 18, 2022
McLean, Virginia

YAPlus d/b/a Yoga Alliance
Yoga Alliance Registry d/b/a Yoga Alliance Foundation

Combined Statements of Financial Position
December 31, 2021 and 2020

	2021	2020
Assets		
Current assets:		
Cash and cash equivalents	**$ 9,077,424**	$ 8,018,244
Accounts receivable	**30,550**	27,885
Prepaid expenses	**295,652**	215,308
Total current assets	**9,403,626**	8,261,437
Property and equipment, net of accumulated depreciation and amortization of $4,378,404 and $4,026,653 in 2021 and 2020, respectively	**1,588,682**	1,554,046
Other assets:		
Investments	**10,374,591**	10,021,241
Security deposit	**121,565**	36,208
Trademarks	**351,582**	302,812
Total other assets	**10,847,738**	10,360,261
Total assets	**$ 21,840,046**	$ 20,175,744
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued expenses	**$ 322,363**	$ 255,771
Accrued salaries and related benefits	**220,927**	244,237
Deferred revenue	**4,508,876**	4,669,174
Deferred rent liability	**40,733**	34,962
Deferred tenant improvement allowance	**45,168**	45,168
Total current liabilities	**5,138,067**	5,249,312
Long-term liabilities:		
Deferred rent liability, net of current portion	**260,450**	296,988
Deferred tenant improvement allowance, net of current portion	**146,951**	180,673
Total long-term liabilities	**407,401**	477,661
Total liabilities	**5,545,468**	5,726,973
Net assets:		
Without donor restrictions	**16,294,578**	14,448,771
Total liabilities and net assets	**$ 21,840,046**	$ 20,175,744

See notes to combined financial statements.

YAPlus d/b/a Yoga Alliance
Yoga Alliance Registry d/b/a Yoga Alliance Foundation

Combined Statements of Activities
Years Ended December 31, 2021 and 2020

	2021	2020
Activities without donor restrictions:		
Revenue and support:		
Membership dues		
Membership fees	**$ 9,075,704**	$ 9,195,665
Contributions	**2,027,949**	2,307,481
Investment income, net	**177,216**	85,926
Other revenue	**954,968**	789,426
Total revenue and support	**65,413**	1,423
	12,301,250	12,379,921
Expenses:		
Program services:		
Professional development		
Accessibility and diversity	**6,628,607**	6,838,970
Total program services	**1,089,554**	1,359,895
	7,718,161	8,198,865
Supporting services:		
Management and general		
Total expenses	**2,737,282**	2,421,111
	10,455,443	10,619,976
Changes in net assets		
	1,845,807	1,759,945
Net assets at beginning of year		
	14,448,771	12,688,826
Net assets at end of year		
	$ 16,294,578	$ 14,448,771

See notes to combined financial statements.

YAPlus d/b/a Yoga Alliance
Yoga Alliance Registry d/b/a Yoga Alliance Foundation

Combined Statement of Functional Expenses
Year Ended December 31, 2021

	Program Services			Supporting Services	
	Professional Development	Accessibility and Diversity	Total	Management and General	Total Expenses
Salaries and wages	$ 3,083,684	$ 609,365	$ 3,693,049	$ 1,114,540	$ 4,807,589
Professional fees	1,789,243	2,752	1,791,995	351,700	2,143,695
Employee benefits	495,611	87,089	582,700	215,908	798,608
Information technology	360,085	63,544	423,629	294,048	717,677
Grants	25,000	176,509	201,509	-	201,509
Occupancy	182,696	32,240	214,936	214,261	429,197
Office expenses	171,995	30,352	202,347	198,684	401,031
Payroll taxes	222,063	35,283	257,346	108,771	366,117
Communications	136,017	24,003	160,020	49,398	209,418
Depreciation and amortization	138,960	24,522	163,482	162,906	326,388
Travel	1,182	-	1,182	1,191	2,373
Insurance	17,308	3,054	20,362	20,290	40,652
Repairs and maintenance	4,763	841	5,604	5,585	11,189
Total	$ 6,628,607	$ 1,089,554	$ 7,718,161	$ 2,737,282	$ 10,455,443

See notes to combined financial statements.

YAPlus d/b/a Yoga Alliance
Yoga Alliance Registry d/b/a Yoga Alliance Foundation

Combined Statement of Functional Expenses
Year Ended December 31, 2020

	Program Services			Supporting Services	
	Professional Development	Accessibility and Diversity	Total	Management and General	Total Expenses
Salaries and wages	$ 3,088,964	$ 294,683	$ 3,383,647	$ 1,208,068	$ 4,591,715
Professional fees	1,906,514	283,843	2,190,357	130,311	2,320,668
Employee benefits	549,903	47,801	597,704	241,157	838,861
Information technology	289,377	51,067	340,444	307,358	647,802
Grants	-	528,000	528,000	-	528,000
Occupancy	185,736	32,777	218,513	200,661	419,174
Office expenses	184,630	32,582	217,212	185,365	402,577
Payroll taxes	207,440	16,721	224,161	97,336	321,497
Communications	166,637	29,406	196,043	126	196,169
Depreciation and amortization	182,176	32,149	214,325	11,280	225,605
Travel	50,170	7,013	57,183	13,114	70,297
Insurance	17,173	3,031	20,204	18,553	38,757
Conferences, conventions and meetings	5,591	-	5,591	2,748	8,339
Repairs and maintenance	4,659	822	5,481	5,034	10,515
Total	$ 6,838,970	$ 1,359,895	$ 8,198,865	$ 2,421,111	$ 10,619,976

See notes to combined financial statements.

YAPlus d/b/a Yoga Alliance
Yoga Alliance Registry d/b/a Yoga Alliance Foundation

Combined Statement of Cash Flows
Years Ended December 31, 2021 and 2020

.	**2021**	2020
Cash flows from operating activities:		
Changes in net assets	**$ 1,845,807**	$ 1,759,945
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation and amortization	**326,388**	225,605
Net realized and unrealized gain on investments	**(750,361)**	(631,496)
Deferred rent	**(64,489)**	(54,797)
(Increase) decrease in:		
Accounts receivable	**(2,665)**	1,409
Prepaid expenses	**(80,344)**	(33,196)
Security deposit	**(85,357)**	-
Increase (decrease) in:		
Accounts payable and accrued expenses	**66,592**	(77,497)
Accrued salaries and related benefits	**(23,310)**	56,052
Deferred revenue	**(160,298)**	(14,559)
Net cash provided by operating activities	**1,071,963**	1,231,466
Cash flows from investing activities:		
Purchases of property and equipment	**(361,024)**	(672,823)
Proceeds from the sale of property and equipment	**-**	186,247
Purchases of investments	**(239,717)**	(802,839)
Proceeds from sales of investments	**636,728**	653,432
Costs incurred for trademark	**(48,770)**	(88,021)
Net cash used in investing activities	**(12,783)**	(724,004)
Net increase in cash and cash equivalents	**1,059,180**	507,462
Cash and cash equivalents:		
Beginning of year	**8,018,244**	7,510,782
End of year	**$ 9,077,424**	$ 8,018,244

See notes to combined financial statements.

Note 1. Nature of Activities and Significant Accounting Principles

Nature of activities: For the global yoga community, YAPlus d/b/a Yoga Alliance® (the Alliance) is an independent, nonprofit member-based organization that advances the development and livelihood of yoga professionals and advocates for safety in and the quality of yoga teaching and practicing. Founded in 2011 as a 501(c)(6) organization in the state of Virginia, the Alliance represents the yoga teaching profession nationally and internationally, serving as an advocate before legislative bodies and partnering with public interest groups, and other professional organizations. In addition, the Alliance credentials and registers yoga schools whose teacher training programs utilize the Alliance's standards for teaching yoga. Once an individual graduates from an Alliance Registered Yoga School (RYS®), they can join the Alliance as a Registered Yoga Teacher (RYT®). All schools and teachers registered with the Alliance are members of the organization. Additionally, the Alliance partners with other organizations to provide a variety of member benefits. In 2016, the Alliance introduced the Yoga Alliance Continuing Education Provider® (YACEP®) designation, a directory for yoga teachers who provide continuing education courses.

The Yoga Alliance Registry d/b/a Yoga Alliance Foundation™ (the Foundation), a 501(c)(3) nonprofit corporation, formerly Yoga Alliance, was incorporated in May 1987 under the laws of the state of Washington. The Foundation's mission is to support the diversity and accessibility of yoga.

A summary of the Organizations' significant accounting policies follows:

Principles of combination: The combined financial statements reflect the activity of the Alliance and the Foundation (collectively, the Organizations). The entities have elected to present combined financial statements because they are under common control. All significant intra-entity accounts and transactions have been eliminated in the combination.

Basis of presentation: The combined financial statement presentation follows the recommendation of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). As required by the Not-for-Profit Entities Topic of the FASB ASC, the Organizations are required to report information regarding the combined financial position and activities according to two classes of net assets, as follows:

Net assets without donor restrictions: Net assets without donor restrictions include undesignated funds that are available for the support of the Organizations' activities and not subject to donor-imposed restrictions.

Net assets with donor restrictions: Net assets with restrictions include those net assets whose use by the Organizations have been donor restricted by a specified time or purpose limitations. The Organizations do not have any net assets with donor restrictions as of December 31, 2021 and 2020.

Cash and cash equivalents: For combined financial statement purposes, the Organizations consider all highly liquid investments with an original maturity of three months or less to be cash and cash equivalents.

Financial risk: The Organizations maintain its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Organizations have not experienced any losses in such accounts. The Organizations believe they are not exposed to any significant credit risk on cash.

The Organizations invest in a professionally managed portfolio that contains mutual funds. Such investments are exposed to various risks, such as market and credit. Due to the level of risk associated with such investments, and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in risks in the near term would materially affect investment balances and the amounts reported in the combined financial statements.

Note 1. Nature of Organization and Significant Accounting Principles (Continued)

Investments: Investments with readily determinable fair values are reflected at fair value. To adjust the carrying value of these investments, the change in fair value is charged or credited to the change in net assets.

Accounts receivable: Accounts receivable consist of amounts due from customers and are recorded at their net realizable value. Management considers all amounts to be fully collectible within one year. Accordingly, an allowance for doubtful accounts has not been established.

Property and equipment: Property and equipment in excess of $5,000 is capitalized and stated at cost. Furniture, equipment and the website are depreciated or amortized on a straight-line basis over the estimated useful lives of the related assets, generally three to seven years. Leasehold improvements are amortized over the remaining life of the lease. The cost of maintenance and repairs is recorded as expenses are incurred.

Impairment policy: Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of long-lived assets is measured by a comparison of the carrying amount of the asset to future discounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the estimated fair value of the assets. Assets to be disposed of are reportable at the lower of the carrying amount or fair value, less costs to sell. During the years ended December 31, 2021 and 2020, management did not consider the value of any property or equipment or intangible assets to be impaired.

Trademarks: The Organizations consider trademarks to have indefinite lives. In accordance with FASB ASC 350, Goodwill and Other Intangible Assets, the Organizations' trademarks are subject to at least an annual assessment for impairment by applying a fair-value-based test. There was no impairment noted for the years ended December 31, 2021 and 2020.

Deferred revenue: Deferred revenue consists primarily of membership dues, convention exhibit fees, meeting registrations and sponsorships received in advance of meeting the performance obligations.

Deferred rent and deferred tenant improvement allowance: The Organizations recognize the minimum rents required under a lease as rent expense on a straight-line basis over the term of the lease. Differences between amounts recorded as expense and amounts actually paid are reported as deferred rent in the combined statements of financial position along with the unamortized amount of landlord-provided tenant improvement allowance.

Revenue: Transactions classified as exchange transactions follow Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts With Customers (Topic 606),* and are recorded as revenue when the performance obligations are met.

The Organizations' memberships for yoga teachers, schools and continuing education providers (YACEP) include access to a multitude of benefits. Access to these benefits is voluntary and can occur during the membership period and are treated as part of the membership itself, rather than multiple performance obligations. The revenue is recognized ratably over the membership period. Any amounts received but not yet earned are recognized as deferred revenue in the combined statements of financial position. The transaction price is based on a fixed fee at contract inception.

Note 1. Nature of Organization and Significant Accounting Principles (Continued)

For membership-based revenue recognized over time, the straight-line method is used to allocate the performance obligations over the performance measurement period. The Organizations determined that this method provides a faithful depiction of the transfer of goods or services because the customer is required to pay regardless of how frequently the membership benefits are used, and the Organizations stand ready to make their goods or services available to the customer on a constant basis over the contract period. The transaction price is based on a fixed fee at contract inception.

Included in membership fees are registration fees from yoga teachers and yoga schools for the administration of their credentialing system and upgrade fees for upgrading the credential level of yoga teacher registrants. These fees are recognized as revenue when received. The transaction price is based on a fixed fee at the time of registration.

Contributions are recognized in the appropriate category of net assets in the period received. The Organizations perform an analysis of the individual contribution to determine if the revenue streams follow the contribution rules or if they should be recorded as an exchange transaction depending upon whether the transactions are deemed reciprocal or nonreciprocal under ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made.*

For contributions qualifying under the contribution rules, revenue is recognized upon notification of the award and satisfaction of all conditions, if applicable. Contributions qualifying as unconditional and have donor restrictions are recognized as without donor restrictions only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions. Funds in excess of expenses incurred are shown as net assets with donor restrictions in the accompanying combined financial statements.

Contributions qualifying as conditional contain a right of return from obligation provision that limits the Organizations on how funds transferred should be spent. Additionally, a barrier is present that is related to the purpose of the agreement. Revenue is recognized when the condition or conditions on which they depend are substantially met. Funds received in advance are recorded as refundable advances. For contributions treated as conditional, the Organizations had no unrecognized awards as of December 31, 2021 and 2020.

Contract balances: The timing of revenue recognition may not align with the right to invoice the customer. The Organizations record accounts receivable when it has the unconditional right to issue an invoice and receive payment, regardless of whether revenue has been recognized. If revenue has not yet been recognized, a contract liability (deferred revenue) also is recorded. If revenue is recognized in advance of the right to invoice, a contract asset (unbilled receivable) is recorded. Opening contract balances as of January 1, 2020, were as follows:

Accounts receivable	$	29,294
Deferred revenue		4,683,733

Functional allocation of expenses: The costs of providing the various programs and other activities have been summarized on a functional basis in the combined statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses directly attributable to a specific functional area are reported as direct expenses, and expenses that benefit more than one function are allocated on a basis of actual time and effort, or other reasonable basis.

Note 1. Nature of Organization and Significant Accounting Principles (Continued)

Use of estimates: The preparation of combined financial statements in conformity with generally accepted accounting principles in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect the amounts reported in the combined financial statements and accompanying notes. Actual results could differ from those estimates.

Income taxes: The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Foundation is not a private foundation. The Alliance is exempt from Federal income taxes under Section 501(c)(6) of the Internal Revenue Code.

Upcoming accounting pronouncements (not adopted): In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. The guidance in this ASU supersedes the leasing guidance in Topic 840, Leases. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the combined balance sheets for all leases with terms longer than 12 months. Leases will be classified as either finance or operating with classification affecting the pattern of expense recognition in the combined statements of activities. In June 2020, the FASB issued ASU 2020-05, which defers the effective date of ASU 2016-02 one year, making it effective for annual reporting periods beginning after December 15, 2021, including interim periods within those fiscal years. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the combined financial statements, with certain practical expedients available. The Organizations are currently evaluating the impact of the pending adoption of the new standard on the combined financial statements.

FASB ASU 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, is intended to increase transparency of contributed nonfinancial assets for nonprofit entities through enhancements in presentation and disclosure requirements. Nonprofit entities will now be required to present contributed nonfinancial assets as a separate line item in the statements of activities, apart from contributions of cash and other financial contributions. Nonprofit entities will also be required to disclose various information related to contributed nonfinancial assets. The Organizations will adopt the new standard during the year ending December 31, 2022. The Organizations typically do not receive significant contributed nonfinancial assets. Thus, the Organizations do not anticipate the adoption of the new standard will have a significant impact on their combined financial statements.

Reclassifications: Certain reclassifications were made to the 2020 combined financial statements to conform to the 2021 presentation. These reclassifications have no effect on previously reported net assets or change in net assets.

Subsequent events: The Organizations evaluated subsequent events through October 18, 2022, which is the date the combined financial statements were available to be issued.

Note 2. Investments

Investments consisted of the following as of December 31, 2021 and 2020:

	2021	2020
Money market funds	$ 704,340	$ 1,093,057
Corporate and municipal bonds	120,726	133,399
Mutual funds	5,629,893	4,872,383
Certificates of deposit	1,734,512	2,664,906
Exchange-traded funds	2,185,120	1,257,496
Total investments	$ 10,374,591	$ 10,021,241

Included in investment income, net during the years ended December 31, 2021 and 2020, are the following:

	2021	2020
Interest and dividends	$ 243,835	$ 191,466
Net gain	750,361	631,496
Investment fees	(39,228)	(33,536)
Total investment income, net	$ 954,968	$ 789,426

Note 3. Intercompany Transactions

Cost-sharing agreement: Starting in 2018, the Foundation now reimburses the Alliance for use of the Alliance's office space, furniture, equipment and services. During the years ended December 31, 2021 and 2020, shared costs amounted to $375,528 and $337,210, respectively, which were recorded as revenue to the Alliance and expense to the Foundation, and as of December 31, 2021 and 2020, the total unreimbursed amounts of shared costs that the Foundation owed to the Alliance were $192,464 and $242,467, respectively. No interest was recognized on these transactions during the years ended December 31, 2021 and 2020, as the Foundation made payments as costs were incurred, and thus, did not carry a balance at any point during the years ended December 31, 2021 and 2020. As all transactions are between the two entities, all components of the cost-sharing agreement have been eliminated in combination.

Revolving loan agreement: On May 11, 2012, the Alliance entered into a 10-year revolving loan agreement, expiring in April 2022, with the Foundation, providing draws by the Alliance of up to a maximum amount of $1,000,000. Borrowings made by the Alliance accrue interest of 3.25%, and interest-only payments are due to the Foundation on a quarterly basis. The total outstanding balance of the loan is due at the end of the 10-year term.

During the years ended December 31, 2021 and 2020, the Alliance remitted principal and interest payments on a monthly basis to ensure the obligation will be satisfied by term expiration. As of December 31, 2021 and 2020, the total balance of the revolving loan aggregated $84,428 and $332,302, respectively, and includes principal plus interest. As the entire transaction is between the two entities, all components of the revolving loan agreement have been eliminated in combination.

Note 3. Intercompany Transactions (Continued)

Sale of registry and intercompany loan: On December 31, 2017, the Foundation and the Alliance entered into a license agreement, which included the sale of Foundation assets related to the Yoga Alliance Registry (the Registry) to the Alliance. The purpose of the sale was to properly categorize the Registry assets with the entity responsible for membership organization activities.

The sales transaction included all assets and liabilities of the Foundation, excluding cash, investments, receivables, certain prepaid expenses, and certain accounts payable and accrued expenses. In connection with the sales transaction, the Alliance is required to repay the fair value of the Foundation's economic interest in the Registry (in the amount of $5,668,782) over a 10-year period, through December 2027, plus interest accrued at a fixed annual rate of 4.5%; the first year being interest only, and principal with interest payments commencing in year two. The sale price was allocated to the acquired assets, and an intangible asset was realized by the Alliance (which is being amortized over a 10-year period beginning in 2018). As the entire transaction is between the two entities, all components of the sale (intangible asset and related amortization, loan receivable, loan payable, and net assets for the gain on sale of asset) have been eliminated in combination.

As of December 31, 2021 and 2020, the outstanding balance on the sale agreement aggregated to $4,027,346 and $4,599,242, respectively, which included principal only. Interest expenses and related income for the years ended December 31, 2021 and 2020, amounted to $202,395 and $235,430, respectively.

The following is a schedule of the required principal payments required under the terms of the loan agreements. This schedule is exclusive of the cost sharing agreement since that agreement is based on actual costs incurred, and thus, the amounts vary across reporting periods.

	Revolving Loan	License Agreement	Total
Years ending December 31:			
2022	$ 84,428	$ 598,169	$ 682,597
2023	-	625,649	625,649
2024	-	654,391	654,391
2025	-	684,454	684,454
2026	-	715,897	715,897
2027	-	748,786	748,786
	$ 84,428	$ 4,027,346	$ 4,111,774

Annual license agreement: After the sale of the Registry, the Foundation entered into an annual license agreement (the License Agreement) with the Alliance. Under the License Agreement, the Alliance is paid for the Foundation's use of the Registry for program announcements and solicitations. License Agreement fees paid by the Foundation to the Alliance were $148,766 and $148,322 for the years ended December 31, 2021 and 2020, respectively.

As of and for the years ended December 31, 2021 and 2020, the amounts of all the intercompany transactions and balances have been eliminated in combination in the accompanying combined financial statements.

Note 4. Property and Equipment

Property and equipment consisted of the following as of December 31, 2021 and 2020:

	2021	2020
Furniture and equipment	$ 249,275	$ 83,514
Website	5,283,347	5,062,721
Leasehold improvements	434,464	434,464
Total fixed assets	5,967,086	5,580,699
Less accumulated depreciation and amortization	(4,378,404)	(4,026,653)
Fixed assets, net	$ 1,588,682	$ 1,554,046

Depreciation and amortization expense totaled $326,388 and $225,605 during the years ended December 31, 2021 and 2020, respectively.

Note 5. Availability of Financial Assets (Liquidity)

Financial assets available to meet cash needs for general expenditure within one year of the date of the combined statements of financial position were composed of the following at December 31:

	2021	2020
Cash and cash equivalents	$ 9,077,424	$ 8,018,244
Accounts receivable	30,550	27,885
Investments	10,374,591	10,021,241
Financial assets available to meet cash needs for general expenditure within one year	$ 19,482,565	$ 18,067,370

The Organizations have a policy to structure their financial assets to be available and liquid as their obligations become due.

Note 6. Commitments

In April 2015, the Foundation entered into a lease agreement for office space in Arlington, Virginia. The lease commenced on September 1, 2015, and was scheduled to terminate on November 30, 2026. In September 2019, the Foundation amended the lease agreement to include additional office space in the current building. The lease for the additional office space commenced on September 11, 2019, and terminated on September 30, 2021. These leases contained various rental abatements and tenant improvement allowance incentives.

During September 2022, the Organizations exercised an option to terminate the remaining lease effective September 30, 2023. The Organizations paid a termination fee of $230,371 to the landlord in September 2022. An additional termination fee of $230,371 is due to the landlord in June 2023.

In July 2021, the Organizations entered into a lease agreement for a new office space of 12,323 feet of rentable space. For accounting purposes, the lease commencement date is January 1, 2022, which is the date the Organizations obtained access to the space. The agreement runs through June 2034 and includes various incentives such as a tenant improvement allowance and rental abatements through July 2023.

Note 6. Commitments (Continued)

To offset the cost of the previous office space for which the lease is not yet terminated, the Organizations entered into a sublease agreement in June 2021. The lease will terminate on August 31, 2023.

Additionally, on January 23, 2019, the Organizations signed an operating lease for a copier machine, which will be terminated in January 2024. Monthly payments under this lease total $243.

The following is a schedule of the future minimum lease payments, net of sublease receipts, under all operating leases:

	Office	Sublease Receipts	Equipment	Total
Years ending December 31:				
2022	$ 602,179	$ (132,600)	$ 2,916	$ 472,495
2023	818,120	(91,035)	2,916	730,001
2024	613,870	-	243	614,113
2025	629,217	-	-	629,217
2026	644,947	-	-	644,947
Thereafter	5,377,440	-	-	5,377,440
	$ 8,685,773	$ (223,635)	$ 6,075	$ 8,468,213

Occupancy expense totaled $429,197 and $419,174 during the years ended December 31, 2021 and 2020, respectively.

Employment agreements: In May 2019 the Organizations entered into a three-year employment agreement with their newly appointed president and chief executive officer. The original agreement was scheduled to terminate on April 30, 2022, but has renewed for an additional one-year period through April 30, 2023. Under certain circumstances, this agreement stipulates that the Organizations will be liable for severance and other payments.

Legal matters: From time to time, the Organizations may be involved in litigation or legal issues related to certain business matters. Management of the Organizations do not believe that any such items would have a material financial impact on the Organizations.

Note 7. Retirement Plan

The Organizations adopted a 401(k) profit sharing plan (the Plan). The Plan covers all employees who are 18 years and older. As required by the Plan document, the Organizations make matching contributions up to 4% of compensation of the covered participants during the Plan year. The Plan may also provide a discretionary contribution of compensation based on the classification a participant falls under. The Organizations did not make a discretionary contribution during the years ended December 31, 2021 and 2020.

Matching contributions to the Plan totaled $200,946 and $180,653 during the years ended December 31, 2021 and 2020, respectively, and are included in employee benefits on the accompanying combined statements of functional expenses.

Note 8. Fair Value Measurement

In accordance with FASB ASC 820, Fair Value Measurement, the Organizations have categorized their financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument. Investments recorded on the combined statements of financial position are categorized based on the inputs to valuation techniques as follows:

Level 1: These are investments where values are based on unadjusted quoted prices for identical assets in an active market the Organization has the ability to access.

Level 2: These are investments where values are based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, or model-based valuation techniques that utilize inputs that are observable either directly or indirectly for substantially the full term of the investments.

Level 3: These are investments where inputs to the valuation methodology are unobservable and significant to the fair value measurement.

There have been no changes in the methodologies used as of December 31, 2021 and 2020.

Following is a description of the valuation methodology used for investments measured at fair value:

Money market funds: Money market funds are valued at the daily closing price as reported by the fund. The money market fund is an open-end mutual fund that is registered with the Securities and Exchange Commission (SEC). This fund is required to publish its daily net asset value (NAV) and to transact at that price. The money market fund is deemed to be actively traded.

Corporate and municipal bonds: Corporate and municipal bonds are valued at the closing price reported in the active market in which the individual securities are traded.

Mutual funds: Mutual funds are valued at the daily closing price as reported by the fund. Mutual funds held by the Organizations are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily NAV and to transact at that price. The mutual funds held by the Organizations are deemed to be actively traded.

Certificates of deposit: Certificates of deposit are generally valued at original cost plus accrued interest, which approximates fair value.

Exchange-traded funds: Exchange-traded funds are valued at the closing price reported in the active market in which the individual securities are traded.

Note 8. Fair Value Measurement (Continued)

The table below summarizes, by level within the fair value hierarchy, the Organizations' investments as of December 31, 2021:

	Level 1	Level 2	Level 3	Total
Asset class:				
Money market funds	$ 704,340	$ -	$ -	704,340
Corporate and municipal bonds	120,726	-	-	120,726
Mutual funds	5,629,893	-	-	5,629,893
Certificates of deposit	-	1,734,512	-	1,734,512
Exchange-traded funds	2,185,120	-	-	2,185,120
	$ 8,640,079	$ 1,734,512	$ -	$ 10,374,591

The table below summarizes, by level within the fair value hierarchy, the Organizations' investments as of December 31, 2020:

	Level 1	Level 2	Level 3	Total
Asset class:				
Money market funds	$ 1,093,057	$ -	$ -	$ 1,093,057
Corporate and municipal bonds	133,399	-	-	133,399
Mutual funds	4,872,383	-	-	4,872,383
Certificates of deposit	-	2,664,906	-	2,664,906
Exchange-traded funds	1,257,496	-	-	1,257,496
	$ 7,356,335	$ 2,664,906	$ -	$ 10,021,241

RSM US LLP

Independent Auditor's Report on the Supplementary Information

Board of Directors
Yoga Alliance Registry d/b/a Yoga Alliance Foundation
YAPlus d/b/a Yoga Alliance

We have audited the combined financial statements of the Yoga Alliance Registry d/b/a Yoga Alliance Foundation and YAPlus d/b/a Yoga Alliance (collectively, the Organizations) as of and for the year ended December 31, 2021, and have issued our report thereon which contains an unmodified opinion on those combined financial statements. See pages 1 and 2. Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The combining information is presented for purposes of additional analysis rather than to present the financial position, changes in net assets, and cash flows of the individual entities and is not a required part of the combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements, or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the combined financial statements as a whole.

RSM US LLP

McLean, Virginia
October 18, 2022

YAPlus d/b/a Yoga Alliance
Yoga Alliance Registry d/b/a Yoga Alliance Foundation

Combining Statement of Financial Position
December 31, 2021

	Yoga Alliance Foundation	Yoga Alliance	Eliminations	Total
Assets				
Current assets:				
Cash and cash equivalents	$ 275,367	$ 8,802,057	$ -	$ 9,077,424
Accounts receivable	17,273	13,277	-	30,550
Prepaid expenses	16,775	278,877	-	295,652
Intercompany receivable	490,134	192,464	(682,598)	-
Total current assets	799,549	9,286,675	(682,598)	9,403,626
Property and equipment, net	12,700	1,575,982	-	1,588,682
Other assets:				
Investments	10,374,591	-	-	10,374,591
Security deposit	-	121,565	-	121,565
Intangible asset	-	2,887,803	(2,887,803)	-
Trademarks	143,409	208,173	-	351,582
Intercompany receivable	3,429,177	-	(3,429,177)	-
Total other assets	13,947,177	3,217,541	(6,316,980)	10,847,738
Total assets	$ 14,759,426	$ 14,080,198	$ (6,999,578)	$ 21,840,046
Liabilities and Net Assets				
Current liabilities:				
Accounts payable and accrued expenses	$ 32,474	$ 289,889	$ -	$ 322,363
Accrued salaries and related benefits	6,418	214,509	-	220,927
Deferred revenue	-	4,508,876	-	4,508,876
Intercompany payable	-	682,598	(682,598)	-
Deferred rent liability	-	40,733	-	40,733
Deferred tenant improvement allowance	-	45,168	-	45,168
Total current liabilities	38,892	5,781,773	(682,598)	5,138,067
Long-term liabilities:				
Deferred rent liability, net of current portion	-	260,450	-	260,450
Deferred tenant improvement allowance, net of current portion	-	146,951	-	146,951
Intercompany payable	-	3,429,177	(3,429,177)	-
Total long-term liabilities	-	3,836,578	(3,429,177)	407,401
Total liabilities	38,892	9,618,351	(4,111,775)	5,545,468
Net assets without donor restrictions	14,720,534	4,461,847	(2,887,803)	16,294,578
Total liabilities and net assets	$ 14,759,426	$ 14,080,198	$ (6,999,578)	$ 21,840,046

YAPlus d/b/a Yoga Alliance
Yoga Alliance Registry d/b/a Yoga Alliance Foundation

Combining Statement of Activities
Year ended December 31, 2021

	Yoga Alliance Foundation	Yoga Alliance	Eliminations	Total
Revenue and support:				
Membership dues	$ -	$ 9,075,704	$ -	$ 9,075,704
Membership fees	-	2,027,949	-	2,027,949
Contributions	177,216	-	-	177,216
Investment income, net	950,928	4,040	-	954,968
Interest income from related party	202,395	-	(202,395)	-
Cost share agreement income from related party	-	375,528	(375,528)	-
Licensing agreement income from related party	-	148,766	(148,766)	-
Other revenue	-	65,413	-	65,413
Total revenue and support	1,330,539	11,697,400	(726,689)	12,301,250
Expenses:				
Program services	1,386,574	7,288,162	(956,575)	7,718,161
Supporting services:				
Management and general	354,893	2,633,802	(251,413)	2,737,282
Total expenses	1,741,467	9,921,964	(1,207,988)	10,455,443
Change in net assets	(410,928)	1,775,436	481,299	1,845,807
Net assets at beginning of year	15,131,462	2,686,411	(3,369,102)	14,448,771
Net assets at end of year	$ 14,720,534	$ 4,461,847	$ (2,887,803)	$ 16,294,578