

**YWCA OF HIGH POINT, NC, INC.**

**Financial Statements**

**December 31, 2018 and 2017**

BRESLOW  STARLING

*Certified Public Accountants*

# **YWCA OF HIGH POINT, NC, INC.**

**DECEMBER 31, 2018 AND 2017**

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## **Independent Auditor's Report**

To the Board of Directors  
YWCA of High Point, NC, Inc.  
High Point, North Carolina

We have audited the accompanying financial statements of YWCA of High Point, NC, Inc., a non-profit organization, which comprise the statements of financial position as of December 31, 2018 and 2017, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

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

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 as well as evaluating the overall presentation of the financial statements.

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

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of YWCA of High Point, NC, Inc. as of December 31, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Breslow Starling Frost Warner Boger Hiatt, PLLC*

Greensboro, North Carolina

August 26, 2019

**YWCA OF HIGH POINT, NC, INC.**  
**Statements of Financial Position**  
**As of December 31, 2018 and 2017**

<b>Assets</b>	<b>2018</b>	<b>2017</b>
<b>Current Assets</b>		
Cash and Cash Equivalents	\$ 71,878	\$ 59,729
Accounts Receivable	478	507
Refundable Sales Tax	10,242	12,912
Promises to Give	259,903	214,254
Inventory	8,400	9,125
Prepaid Expenses	65	65
<b>Total Current Assets</b>	<b>350,966</b>	<b>296,592</b>
<b>Endowment Investments</b>	<b>48,421</b>	<b>51,978</b>
<b>Other Assets</b>		
Cash Restricted for Capital Campaign and Other Programs	636,121	778,164
Investment Restricted for Capital Campaign	27,891	42,101
Unconditional Promises to Give for Capital Campaign	153,187	270,489
Net Property and Equipment	3,326,887	3,305,626
<b>Total Other Assets</b>	<b>4,144,086</b>	<b>4,396,380</b>
<b>Total Assets</b>	<b>\$ 4,543,473</b>	<b>\$ 4,744,950</b>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts Payable	\$ 63,013	\$ 87,022
Accrued Expenses	17,774	19,406
Current Maturities of Long-Term Debt	100,000	100,000
Current Maturities of Capital Lease Obligation	20,279	19,487
<b>Total Current Liabilities</b>	<b>201,066</b>	<b>225,915</b>
<b>Long-Term Liabilities</b>		
Long-Term Debt, Less Current Maturities	1,725,000	1,825,000
Capital Lease Obligation, Net of Current Portion	60,693	80,972
<b>Total Long-Term Liabilities</b>	<b>1,785,693</b>	<b>1,905,972</b>
<b>Total Liabilities</b>	<b>1,986,759</b>	<b>2,131,887</b>
<b>Net Assets</b>		
Without Donor Restrictions	1,490,197	1,297,859
With Donor Restrictions	1,066,517	1,315,204
<b>Total Net Assets</b>	<b>2,556,714</b>	<b>2,613,063</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 4,543,473</b>	<b>\$ 4,744,950</b>

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

**YWCA OF HIGH POINT, NC, INC.**  
**Statements of Activities**  
**For the Years Ended December 31, 2018 and 2017**

	<b>2018</b>	<b>2017</b>
<b>Net Assets without Donor Restrictions</b>		
<b>Revenues and Other Support</b>		
United Way Allocation	\$ 133,559	\$ 133,458
Contributions	193,379	165,107
In-Kind Contributions	108,347	112,797
Special events (net of direct expenses of \$11,736 in 2018 and \$9,138 in 2017)	28,215	23,417
Membership Dues	7,709	7,096
Program Service Fees	285,715	224,988
Building Usage	7,264	5,827
Sales of Materials, Net	1,566	(379)
Investment Income	3,625	14,779
Interest Income	711	880
Loss on Disposal of Property and Equipment	(50)	(5,203)
Other	534	607
<b>Total Revenues and Other Support</b>	<b>770,574</b>	<b>683,374</b>
<b>Net Assets Released from Donor Restrictions</b>	<b>599,268</b>	<b>638,331</b>
<b>Total Revenues and Other Support without Donor Restrictions</b>	<b>1,369,842</b>	<b>1,321,705</b>
<b>Expenses:</b>		
Program Services (including in-kind expenses of \$39,259 in 2018 and \$77,393 in 2017)	1,002,107	951,218
Supporting Services		
Management and General	141,035	162,271
Fundraising	29,549	42,621
Payments to Affiliates	4,813	4,143
<b>Total Expenses</b>	<b>1,177,504</b>	<b>1,160,253</b>
<b>Increase in Net Assets without Donor Restrictions</b>	<b>192,338</b>	<b>161,452</b>
<b>Net Assets with Donor Restrictions</b>		
Contributions	3,088	5,333
United Way Allocation	129,502	133,458
Grants from Governmental Agencies	148,750	108,822
Capital Campaign	90,532	108,702
Gain (Loss) on Endowment Investments	(21,291)	9,474
Net Assets Released from Donor Restrictions	(599,268)	(638,331)
<b>Decrease in Net Assets with Donor Restrictions</b>	<b>(248,687)</b>	<b>(272,542)</b>
<b>Decrease in Net Assets</b>	<b>(56,349)</b>	<b>(111,090)</b>
<b>Net Assets, Beginning of Year</b>	<b>2,613,063</b>	<b>2,724,153</b>
<b>Net Assets, End of Year</b>	<b>\$ 2,556,714</b>	<b>\$ 2,613,063</b>

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

**YWCA OF HIGH POINT, NC, INC.**  
**Statements of Functional Expenses**  
**For the Years Ended December 31, 2018 and 2017**

Year Ended December 31, 2018	Program Services								Supporting Services			Total Functional Expenses
	Aquatics	Child Care	Family Life	Women's Services	Pottery Studio and Art	Latino Family Center	Teaching Kitchen	Total	Management and General	Fund Raising	Total Supporting Services	
Compensation	\$ 150,503	\$ 106,208	\$ 78,674	\$ 56,813	\$ 36,580	\$ 74,327	\$ 26,578	\$ 529,683	\$ 17,167	\$ 5,722	\$ 22,889	\$ 552,572
Employee Benefits	8,156	3,204	7,093	2,986	2,174	2,211	1,600	27,424	1,600	624	2,224	29,648
Payroll Taxes	11,089	7,677	5,618	4,226	2,635	5,030	1,913	38,188	1,193	398	1,591	39,779
Professional Fees	5,715	5,715	4,635	4,335	4,035	4,275	720	29,430	4,945	3,965	8,910	38,340
Supplies	6,548	9,241	4,796	16,148	5,422	5,058	1,773	48,986	4,537	6,325	10,862	59,848
Telephone	2,145	2,145	1,267	975	780	975	585	8,872	585	302	887	9,759
Postage and Shipping	113	89	159	41	28	40	25	495	37	941	978	1,473
Occupancy	29,774	28,307	16,467	12,667	10,133	12,667	7,600	117,615	10,698	4,490	15,188	132,803
Equipment Repair and Rental	13,337	3,809	2,251	1,731	2,729	1,731	1,604	27,192	1,038	513	1,551	28,743
Travel and Vehicle	0	6,258	4,268	0	0	66	0	10,592	2,226	0	2,226	12,818
Conferences and Meetings	850	0	871	233	0	0	97	2,051	1,544	45	1,589	3,640
Advertising	0	0	0	2	0	0	0	2	1,280	247	1,527	1,529
Miscellaneous	2,442	4,476	837	644	515	644	402	9,960	11,648	1,105	12,753	22,713
Interest	3,833	0	0	0	0	0	0	3,833	81,985	0	81,985	85,818
Depreciation	35,728	35,728	21,112	16,240	12,992	16,240	9,744	147,784	552	4,872	5,424	153,208
Total Functional Expenses	\$ 270,233	\$ 212,857	\$ 148,048	\$ 117,041	\$ 78,023	\$ 123,264	\$ 52,641	\$ 1,002,107	\$ 141,035	\$ 29,549	\$ 170,584	\$ 1,172,691

Year Ended December 31, 2017	Program Services								Supporting Services			Total Functional Expenses
	Aquatics	Child Care	Family Life	Women's Services	Pottery Studio and Art	Latino Family Center	Teaching Kitchen	Total	Management and General	Fund Raising	Total Supporting Services	
Compensation	\$ 132,503	\$ 118,172	\$ 91,028	\$ 55,968	\$ 36,798	\$ 79,845	\$ 4,123	\$ 518,437	\$ 16,797	\$ 5,599	\$ 22,396	\$ 540,833
Employee Benefits	7,700	9,269	8,590	3,295	1,292	1,537	0	31,683	1,606	1,209	2,815	34,498
Payroll Taxes	9,549	8,911	6,705	4,117	2,677	5,604	330	37,893	1,152	384	1,536	39,429
Professional Fees	5,925	5,926	4,515	4,163	3,692	4,162	0	28,383	3,928	3,341	7,269	35,652
Supplies	10,903	6,278	2,176	19,217	3,908	4,199	1,305	47,986	7,548	10,835	18,383	66,369
Telephone	2,152	2,152	1,119	861	517	861	0	7,662	689	258	947	8,609
Postage and Shipping	412	135	110	44	31	47	0	779	307	919	1,226	2,005
Occupancy	32,421	30,447	15,847	11,772	7,063	12,886	0	110,436	16,228	3,532	19,760	130,196
Equipment Repair and Rental	5,952	4,290	2,203	1,695	1,653	582	84	16,459	1,508	6,164	7,672	24,131
Travel and Vehicle	0	10,832	3,809	44	70	421	0	15,176	438	2	440	15,616
Conferences and Meetings	100	0	1,039	79	0	850	0	2,068	48,918	0	48,918	50,986
Advertising	32	0	0	25	9	0	25	91	120	854	974	1,065
Miscellaneous	1,784	4,763	861	624	374	624	0	9,030	8,281	5,358	13,639	22,669
Interest	1,531	18	0	0	0	0	0	1,549	53,928	0	53,928	55,477
Depreciation	34,715	34,715	18,052	13,886	8,332	13,886	0	123,586	823	4,166	4,989	128,575
Total Functional Expenses	\$ 245,679	\$ 235,908	\$ 156,054	\$ 115,790	\$ 66,416	\$ 125,504	\$ 5,867	\$ 951,218	\$ 162,271	\$ 42,621	\$ 204,892	\$ 1,156,110

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

**YWCA OF HIGH POINT, NC, INC.**  
**Statements of Cash Flows**  
**For the Years Ended December 31, 2018 and 2017**

	<b>2018</b>	<b>2017</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in Net Assets	\$ (56,349)	\$ (111,090)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	153,208	128,575
Expensable Supplies Included in Capital Lease Obligation	0	4,537
In-Kind Support for Property and Equipment	(69,560)	(35,404)
Loss on Disposition of Property and Equipment	50	5,203
Unrealized (Gain) Loss on Investments	8,463	(5,555)
Changes in Assets and Liabilities:		
Accounts Receivable and Refundable Sales Tax	2,699	(3,893)
Promises to Give	(45,649)	82,992
Inventory	725	(4,483)
Prepaid Expenses	0	(65)
Pledges Restricted for Capital Campaign	103,764	(97,443)
Accounts Payable	(24,009)	62,730
Accrued Expenses	(1,632)	4,075
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>71,710</b>	<b>30,179</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from Sale of Investments	116	12,806
Purchases of Investments	(5,022)	(14,735)
Purchases of Property and Equipment	(104,957)	(1,061,765)
<b>NET CASH USED BY INVESTING ACTIVITIES</b>	<b>(109,863)</b>	<b>(1,063,694)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Collection of Funds Restricted for Capital Campaign	169,791	423,683
Proceeds of Long-Term Debt	0	641,200
Repayment of Long-Term Debt	(100,000)	(75,000)
Repayment of Capital Lease	(19,489)	(4,280)
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>	<b>50,302</b>	<b>985,603</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>12,149</b>	<b>(47,912)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>59,729</b>	<b>107,641</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>\$ 71,878</b>	<b>\$ 59,729</b>
<b>Supplemental Disclosure of Cash Flow Information:</b>		
<b>Cash paid for:</b>		
Interest	\$ 82,687	\$ 52,346

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



**YWCA OF HIGH POINT, NC, INC.**  
**Notes to Financial Statements**  
**For the Years Ended December 31, 2018 and 2017**

**NOTE 1 – Nature of Organization and Summary of Significant Accounting Policies**

Nature of Organization – The Young Women’s Christian Association of High Point, NC, Inc. (the Organization) is a non-profit organization established under the laws of the State of North Carolina for the purpose of promotion of growth in Christian character and service through physical, social, mental, and spiritual training. Its current programs include:

**Aquatics** – Provides swimming instruction for infants to senior adults including adaptive aquatics for physically and mentally challenged individuals, competitive swim, water exercise, and lifeguard training.

**Child Care** – Provides safe and affordable care for school age children, ages 5-12, including programs before and after school and full day care during holidays and summer vacation.

**Family Life** – Programs to strengthen individuals and families through parent education for teen mothers, providing necessities for infants from low income families, and offering supportive education groups for female teens to delay sexual activity and adolescent pregnancy.

**Women’s Services** – Programs designed to increase awareness of women’s health issues.

**Pottery Studio and Art** – Provides workshops and classes for adults and youth.

**Latino Family Center** – The Center is dedicated to improving the quality of life and to promoting community participation of Latinos living in the community.

**Teaching Kitchen** – Classes to teach adults, teens, and youth to cook healthy meals to fight chronic diseases.

Basis of Accounting – The financial statements have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities. The financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) ACS 205, Financial Statements of Not-for-Profit Organizations. Under (SFAS) ACS 205, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: with donor restrictions and without donor restrictions.

Cash and Cash Equivalents – For purposes of the statements of cash flows, the Organization considers all cash accounts which are not subject to withdrawal restrictions and all highly liquid investments with a maturity of three months or less to be cash equivalents.

Promises to Give – The Organization recognizes unconditional promises to give as support in the period the promise is received. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Management considers all promises to give to be collectible, therefore, no allowance for doubtful accounts has been provided.

(Continued)

**YWCA OF HIGH POINT, NC, INC.**  
**Notes to Financial Statements**  
**For the Years Ended December 31, 2018 and 2017**

**NOTE 1 - Summary of Significant Accounting Policies and Nature of Organization** (Continued)

Accounts Receivable – Accounts receivable are unsecured and consist primarily of amounts due for program services provided. Management considers all accounts receivable to be collectible; therefore, no allowance for doubtful accounts has been provided.

Inventory – Inventory consists of donated clothing to the career closet for the Women’s Service program. Valuation is determined by using thrift shop values.

Property and Equipment – Property and equipment are recorded at cost when purchased and fair value when donated. Major additions or betterments are charged to the property accounts while replacements, maintenance, and repairs are generally charged to expense as incurred. The Organization’s definition of a capital item is a purchase exceeding \$500 with a depreciable life of three years or more. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Depreciation expense for the years ended December 31, 2018 and 2017 was \$134,538 and \$120,796, respectively.

The Organization reports gifts of property and equipment as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expiration of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor.

The Organization reviews its long-lived assets for impairment whenever events or circumstances indicate that the carrying amount of an asset may not be recoverable. If this review indicates that the asset will not be recoverable, based on the expected cash flows of the related assets, an impairment loss is recognized and the asset’s value is reduced. No such impairment loss was recognized during the years ended December 31, 2018 and 2017.

Concentration of Credit Risk – Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents. The Organization maintains its cash balances in bank deposit accounts that, at times, may exceed federally insured limits. These accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per institution. The bank balances exceed the federally insured limit by approximately \$458,000 and \$638,000 at December 31, 2018 and 2017, respectively.

Income Taxes – The Organization is exempt from income tax under Section 501(c) (3) of the Internal Revenue Code. The Organization has implemented the accounting guidance for uncertainty in income taxes using the provisions of Financial Accounting Standards Board (FASB) ACS 740, Income Taxes. Using that guidance, tax positions initially need to be recognized in the financial statements when it is more-likely-than-not the position will be sustained upon examination by the tax authorities. Such tax positions initially and subsequently need to be measured as the largest amount of tax benefit that has a greater than 50% likelihood of being realized upon ultimate settlement with the tax authority assuming full knowledge of the positions and relevant facts.

(Continued)

**YWCA OF HIGH POINT, NC, INC.**  
**Notes to Financial Statements**  
**For the Years Ended December 31, 2018 and 2017**

**NOTE 1 - Summary of Significant Accounting Policies and Nature of Organization** (Continued)

As of December 31, 2018, the Organization had no uncertain tax positions that qualify for either recognition or disclosure in the financial statements and has incurred no interest or penalties related to unrecognized tax liabilities. With few exceptions, the Organization is no longer subject to income tax examinations by tax authorities for years prior to 2015.

Revenue Recognition – Revenue and other support (including unpaid pledges) are recorded at date of receipt as with donor restrictions or without donor restrictions depending on the existence and/or nature of any donor restrictions. Pledges due are recorded at their present value.

Contributions and Grants – Contributions and grants received are recorded as with donor restrictions or without donor restrictions, depending on the existence or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. Upon expiration of a time restriction or compliance with the purpose restriction, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Functional Expenses – Expenses are charged directly to program or management in general categories based on specific identification. Indirect expenses have been allocated based on an analysis of personnel time and space utilized for the related activity.

Investments – Investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values. Changes in unrealized gains and losses are recognized each year and are included in the Statements of Activities.

Use of Estimates – The presentation of financial statements in conformity with accounting principles generally accepted in the United States 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 and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events – Management has evaluated subsequent events through August 26, 2019, the date the financial statements were available to be issued.

**YWCA OF HIGH POINT, NC, INC.**  
**Notes to Financial Statements**  
**For the Years Ended December 31, 2018 and 2017**

**NOTE 2 – Receivables**

Receivables at December 31, 2018 and 2017 are summarized as follows:

	<u>2018</u>	<u>2017</u>
Accounts Receivable:		
Child Care	\$ 388	\$ 292
Miscellaneous	90	215
	<u>\$ 478</u>	<u>\$ 507</u>
Other Receivables:		
Sales Tax Refund	<u>\$ 10,242</u>	<u>\$ 12,912</u>

**NOTE 3 – Promises to Give**

Promises to give at December 31, 2018 and 2017 are as follows:

	<u>2018</u>	<u>2017</u>
United Way Services	\$ 129,502	\$ 133,458
Adolescent Parenting Program	46,345	45,796
Community Development Block Grant	9,414	0
Z Smith Reynolds	60,000	35,000
Housing Authority of the City of High Point	5,979	0
Other	8,663	0
Total Promises to Give	<u>259,903</u>	<u>214,254</u>
Capital Campaign	162,406	280,685
Less: Unamortized Discount	9,219	10,196
Net Capital Campaign	<u>153,187</u>	<u>270,489</u>
Total Promises to Give	<u>\$ 413,090</u>	<u>\$ 484,743</u>

The discount associated with the Capital Campaign pledges is calculated using a variable rate based on the present value of the scheduled payments. Amortization of the discount associated with the Capital Campaign pledges included in the Statements of Activities is \$977 and \$14,230 for the years ended December 31, 2018 and 2017, respectively.

Promises to give not related to the Capital Campaign are expected to be received in 2019. Promises to give associated with the capital campaign are expected to be collected between 2019 and 2021.

**YWCA OF HIGH POINT, NC, INC.**  
**Notes to Financial Statements**  
**For the Years Ended December 31, 2018 and 2017**

**NOTE 4 – Investments**

Endowment investments are comprised of mutual funds and are summarized as follows:

	<u>Cost</u>	<u>Market Value</u>	<u>Unrealized Depreciation</u>
December 31, 2018			
Mutual Funds	\$ 90,446	\$ 76,312	\$ (14,134)
	<u>Cost</u>	<u>Market Value</u>	<u>Unrealized Appreciation</u>
December 31, 2017			
Mutual Funds	\$ 44,821	\$ 51,978	\$ 7,157

The funds represent donor designated amounts set aside to provide for capital expenditures (from principal) and income for annual operations (from dividends and interest). The endowment funds are managed by a third party investment advisor and evaluated periodically by management and the advisor.

Investment return is summarized as follows:

	<u>2018</u>	<u>2017</u>
Without Donor Restrictions:		
Interest Income	\$ 0	\$ 3
Dividend Income	1,961	1,453
Short-term Capital Gain	2,217	1,028
Long-term Capital Gain	0	12,805
Foreign Tax Paid	(34)	(36)
Custodian Fees	(519)	(474)
Total Without Donor Restrictions	3,625	14,779
With Donor Restrictions:		
Net Realized and Unrealized Gain (Loss)	(21,291)	9,474
Total Without and With Donor Restrictions	\$ (17,666)	\$ 24,253

The investment restricted for the capital campaign consists of a publicly traded stock and is stated at fair value. Unrealized holding gains associated with this investment of approximately \$8,146 and \$4,681 are included in the Statement of Activities as restricted support for the years ended December 31, 2018 and 2017, respectively.

**YWCA OF HIGH POINT, NC, INC.**  
**Notes to Financial Statements**  
**For the Years Ended December 31, 2018 and 2017**

**NOTE 5 – Capital Campaign**

The Organization’s Growing Our Future Campaign (“the Campaign”) is an ongoing initiative to raise support for construction, renovation, and furnishing of the existing operating facilities. To fund the renovation, the Organization has raised support and has a loan commitment for a note payable of up to a maximum of \$2M subject to fundraising levels (See Note 7). The Campaign project will be carried out in phases. Phase one totaled approximately \$1.5M and was substantially completed and in service November 2015. Phase 2 totaled approximately \$1.1M and was completed September 2017. The Organization started fundraising for Phase 3 in 2018. Cash and promises to give related to the capital campaign are restricted to the payment of the cost of the renovations. For the years ended December 31, 2018 and 2017, the Organization incurred fundraising expenses associated with the Campaign of \$12,917 and \$17,218, respectively.

**NOTE 6 – Property and Equipment**

Property and equipment at December 31, 2018 and 2017 is summarized as follows:

	<u>2018</u>	<u>2017</u>
Building	\$ 3,969,105	\$ 3,920,694
Furniture and Equipment	404,014	404,187
Vehicles	160,937	45,937
Land	121,333	121,333
	<u>4,655,389</u>	<u>4,492,151</u>
Less Accumulated Depreciation	<u>1,328,502</u>	<u>1,186,525</u>
	<u><u>\$ 3,326,887</u></u>	<u><u>\$ 3,305,626</u></u>

**YWCA OF HIGH POINT, NC, INC.**  
**Notes to Financial Statements**  
**For the Years Ended December 31, 2018 and 2017**

**NOTE 7 – Long-Term Debt**

Long-term debt consists of:

	<b>2018</b>	<b>2017</b>
Construction note payable to a bank, payable in 19 quarterly principal payments of \$25,000 plus interest at LIBOR plus 2.4 percentage points (4.84% at December 31, 2018) and one final payment of the principal balance then outstanding on March 2022, secured by the assignment of all related construction contracts and real property.	\$ 1,825,000	\$ 1,925,000
Less Current Maturities	100,000	100,000
Total Long-Term Debt	\$ 1,725,000	\$ 1,825,000

Future maturities of long term debt are as follows:

2020	\$ 100,000
2021	100,000
2022	1,525,000
	\$ 1,725,000

Interest expense was \$81,985 and \$53,928 for the years ended December 31, 2018 and 2017, respectively. Interest capitalized during 2018 and 2017 related to the construction project was \$0 and \$4,580, respectively.

The bank loan requires a minimum debt service coverage ratio as defined by the bank of 1 to 1 and the delivery of audited financial statements within 120 days following the Organization's year end along with other covenants. As of December 31, 2018 the Organization was either in compliance with the covenants or had obtained written waivers.

**NOTE 8 – Equipment Under Capital Lease**

The Company entered into a lease-purchase agreement to acquire equipment during 2017. The total cost of the assets under the capital lease agreement is \$93,348. Amortization of the capitalized cost of the equipment is charged to depreciation expense. Depreciation expense was \$18,760 and \$7,779 for the year December 31, 2018 and 2017, respectively.

(Continued)

**YWCA OF HIGH POINT, NC, INC.**  
**Notes to Financial Statements**  
**For the Years Ended December 31, 2018 and 2017**

**NOTE 8 – Equipment Under Capital Lease** (Continued)

Future minimum lease payments under the capital-lease obligation subsequent to December 31, 2018 are as follows:

2019	\$ 23,142
2020	23,142
2021	23,142
2022	<u>17,930</u>
Future Minimum Lease Payments	87,356
Less Amount Representing Interest	<u>6,384</u>
Present Value of Minimum Lease Payments	80,972
Less: Current Portion	<u>20,279</u>
Long-Term Capital Lease Obligation	<u><u>\$ 60,693</u></u>

**NOTE 9 – Net Assets with Donor Restrictions**

Net Assets with Donor Restrictions consist of the following:

	<u>2018</u>	<u>2017</u>
United Way Allocation	\$ 133,559	\$ 133,458
Adolescent Parenting Program	46,345	45,796
Capital Campaign - Pledges and Cash	765,522	1,018,849
Z. Smith Reynolds	60,000	35,000
Community Development Block Grant	9,414	0
Investments - Capital Campaign	27,891	42,101
Other	<u>23,786</u>	<u>40,000</u>
	<u><u>\$ 1,066,517</u></u>	<u><u>\$ 1,315,204</u></u>



**YWCA OF HIGH POINT, NC, INC.**  
**Notes to Financial Statements**  
**For the Years Ended December 31, 2018 and 2017**

**NOTE 10 – Donated Services, Materials and Facilities**

The Organization receives donated services from a variety of unpaid volunteers assisting the Organization in various programs. Except for services requiring specific expertise, these amounts have not been recognized in the accompanying statements of activities because the criteria for recognition of such volunteer effort under (SFAS) ACS 605, Accounting for Contributions Received and Contributions Made, have not been satisfied.

A summary of In-Kind Contributions included in the accompanying statements of activities is as follows:

	<u>2018</u>	<u>2017</u>
Contributions:		
Special Events	\$ 7,351	\$ 12,325
Aquatics	4,922	8,974
Women's Services	17,382	9,374
Child Care	64,171	8,974
Pottery Studio Art	4,201	8,974
Latino Family Center	3,321	8,974
Family Life	3,678	8,974
Management and General	3,321	10,824
Capital Campaign	0	35,404
	<u>\$ 108,347</u>	<u>\$ 112,797</u>

	<u>2018</u>	<u>2017</u>
Expenses/Assets:		
Program:		
Cost of Special Events	\$ 7,351	\$ 12,325
Aquatics	4,922	8,974
Women's Resource Center	8,393	9,374
Child Care	4,072	8,974
Pottery	4,201	8,974
Latino Family Center	3,321	8,974
Family Life	3,678	8,974
Professional Fees/Other	3,321	10,824
Total Program	<u>39,259</u>	<u>77,393</u>
Property and Equipment	69,088	35,404
	<u>\$ 108,347</u>	<u>\$ 112,797</u>

**YWCA OF HIGH POINT, NC, INC.**  
**Notes to Financial Statements**  
**For the Years Ended December 31, 2018 and 2017**

**NOTE 11 – Leases**

The Organization has entered into an operating lease for office equipment. Future minimum lease payments are as follows:

<u>Year Ending December 31</u>	<u>Amount</u>
2019	\$ 4,080
2020	3,740
	<u>\$ 7,820</u>

Lease expense was \$4,988 and \$5,642 for the years ended December 31, 2018 and 2017, respectively.

**NOTE 12 – Employee Benefit Plan**

Employees who meet eligibility requirements participate in the National YWCA Retirement Plan. The Organization’s contributions were \$6,929 and \$6,908 for the years ended December 31, 2018 and 2017, respectively.

**NOTE 13 – Liquidity and Availability of Financial Assets**

The following reflects the Organization’s financial assets as of December 31, 2018, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date. Donor-restricted amounts that are available for use within one year for general purposes consist primarily of the allocation from the United Way and other promises to give related to program services.

As of December 31, 2018, the following financial assets could be made readily available within one year of the balance sheet to meet general expenditures:

Financial assets at year-end	\$ 1,208,121
Less those unavailable for general expenditures within one year due to:	
Donor-restricted for capital campaign	817,199
Donor-restricted for purchase of equipment	<u>48,421</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 342,501</u>