

YWCA OF HIGH POINT, NC, INC.

Financial Statements

December 31, 2020 and 2019

BRESLOW  STARLING

Certified Public Accountants

YWCA OF HIGH POINT, NC, INC.

DECEMBER 31, 2020 AND 2019

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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, 2020 and 2019, 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, 2020 and 2019, 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

October 1, 2021

YWCA OF HIGH POINT, NC, INC.
Statements of Financial Position
As of December 31, 2020 and 2019

Assets	2020	2019
Current Assets		
Cash and Cash Equivalents	\$ 429,898	\$ 81,665
Accounts Receivable	2,060	5,364
Refundable Sales Tax	10,526	6,772
Promises to Give	253,140	220,041
Prepaid Expenses	65	65
Total Current Assets	695,689	313,907
Endowment Investments	101,967	92,112
Other Assets		
Cash Restricted for Capital Campaign	730,011	525,453
Unconditional Promises to Give for Capital Campaign	399,517	548,845
Net Property and Equipment	3,101,730	3,157,938
Total Other Assets	4,231,258	4,232,236
Total Assets	\$ 5,028,914	\$ 4,638,255
Liabilities and Net Assets		
Current Liabilities		
Accounts Payable	\$ 127,117	\$ 23,036
Accrued Expenses	23,899	22,095
Current Maturities of Long-Term Debt	113,333	100,000
Current Maturities of Capital Lease Obligation	21,887	21,103
Total Current Liabilities	286,236	166,234
Long-Term Liabilities		
Long-Term Debt, Less Current Maturities	1,548,333	1,625,000
Capital Lease Obligation, Net of Current Portion	19,494	39,590
Total Long-Term Liabilities	1,567,827	1,664,590
Total Liabilities	1,854,063	1,830,824
Net Assets		
Without Donor Restrictions	1,828,323	1,493,439
With Donor Restrictions	1,346,528	1,313,992
Total Net Assets	3,174,851	2,807,431
Total Liabilities and Net Assets	\$ 5,028,914	\$ 4,638,255

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, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Net Assets without Donor Restrictions		
Revenues and Other Support		
United Way Allocation	\$ 115,725	\$ 126,042
Contributions	485,809	176,652
In-Kind Contributions	30,305	65,706
Special events (net of direct expenses of \$7,066 in 2020 and \$9,304 in 2019)	34,471	49,062
Membership Dues	9,557	12,650
Program Service Fees	128,583	257,632
Building Usage	3,887	12,141
Sales of Materials, Net	(645)	235
Investment Income (Loss)	698	(1,770)
Interest Income	43	563
Gain (Loss) on Disposal of Property and Equipment	(2,905)	5,000
PPP Loan and Other COVID Support	138,793	0
Other Income (Loss)	3,783	(1,235)
Total Revenues and Other Support	948,104	702,678
Net Assets Released from Donor Restrictions	559,698	591,305
Total Revenues and Other Support without Donor Restrictions	1,507,802	1,293,983
Expenses:		
Program Services (including in-kind expenses of \$30,205 in 2020 and \$65,706 in 2019)	1,041,543	1,107,747
Supporting Services		
Management and General	55,253	46,134
Fundraising	71,661	131,069
Payments to Affiliates	4,461	5,791
Total Expenses	1,172,918	1,290,741
Increase in Net Assets without Donor Restrictions	334,884	3,242
Net Assets with Donor Restrictions		
Contributions	35,200	9,683
United Way Allocation	111,848	126,042
Grants from Governmental Agencies	245,093	144,352
Capital Campaign	190,990	541,272
Investment Income	9,103	17,431
Net Assets Released from Donor Restrictions	(559,698)	(591,305)
Increase in Net Assets with Donor Restrictions	32,536	247,475
Increase in Net Assets	367,420	250,717
Net Assets, Beginning of Year	2,807,431	2,556,714
Net Assets, End of Year	\$ 3,174,851	\$ 2,807,431

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, 2020 and 2019

Year Ended December 31, 2020	Program Services									Supporting Services			Total Functional Expenses
	Aquatics	Child Care	Maternal Health	Women's Services	Pottery Studio and Art	Latino Family Center	Teaching Kitchen	Healthy Beginnings	Total	Management and General	Fund Raising	Total Supporting Services	
Compensation	\$ 148,118	\$ 108,201	\$ 85,692	\$ 37,794	\$ 16,613	\$ 64,850	\$ 19,449	\$ 49,630	\$ 530,347	\$ 11,514	\$ 5,757	\$ 17,271	\$ 547,618
Employee Benefits	4,270	8,304	5,989	1,478	1,007	2,185	1,205	1,867	26,305	921	514	1,435	27,740
Payroll Taxes	11,139	7,808	6,166	2,727	1,125	4,353	1,363	3,619	38,300	749	390	1,139	39,439
Professional Fees	3,465	3,465	1,575	1,260	1,103	1,260	945	1,575	14,648	725	473	1,198	15,846
Supplies	13,281	14,912	36,574	8,067	783	3,079	3,930	2,679	83,305	9,040	328	9,368	92,673
Telephone	2,133	2,212	970	776	679	776	582	891	9,019	388	290	678	9,697
Postage and Shipping	85	86	100	31	27	31	23	94	477	264	122	386	863
Occupancy	25,951	24,758	11,066	8,853	7,741	8,853	6,630	12,323	106,175	12,986	3,306	16,292	122,467
Equipment Repair and Rental	12,569	5,025	2,422	1,694	1,482	1,694	1,288	823	26,997	848	636	1,484	28,481
Travel and Vehicle	0	1,872	1,016	0	27	0	0	940	3,855	3,165	0	3,165	7,020
Conferences and Meetings	337	25	4,645	13,029	0	75	0	1,647	19,758	545	0	545	20,303
Advertising	0	0	0	0	0	0	0	0	0	2,424	0	2,424	2,424
Miscellaneous	3,282	1,563	4,811	568	497	4,318	426	1,461	16,926	10,944	2,565	13,509	30,435
Interest	0	0	0	0	0	0	0	0	-	466	51,944	52,410	52,410
Depreciation	39,134	39,134	17,788	14,231	12,452	14,231	10,673	17,788	165,431	274	5,336	5,610	171,041
Total Functional Expenses	\$ 263,764	\$ 217,365	\$ 178,814	\$ 90,508	\$ 43,536	\$ 105,705	\$ 46,514	\$ 95,337	\$ 1,041,543	\$ 55,253	\$ 71,661	\$ 126,914	\$ 1,168,457

Year Ended December 31, 2019	Program Services									Supporting Services			Total Functional Expenses
	Aquatics	Child Care	Maternal Health	Women's Services	Pottery Studio and Art	Latino Family Center	Teaching Kitchen	Healthy Beginnings	Total	Management and General	Fund Raising	Total Supporting Services	
Compensation	\$ 171,046	\$ 108,370	\$ 85,768	\$ 36,009	\$ 17,982	\$ 72,425	\$ 27,751	\$ 35,119	\$ 554,470	\$ 11,746	\$ 5,873	\$ 17,619	\$ 572,089
Employee Benefits	6,996	4,424	8,516	1,316	824	2,127	978	531	25,712	700	678	1,378	27,090
Payroll Taxes	12,723	8,010	6,012	2,632	1,266	4,875	2,002	2,551	40,071	813	407	1,220	41,291
Professional Fees	3,465	3,465	2,048	1,575	1,260	1,575	1,125	0	14,513	765	473	1,238	15,751
Supplies	10,460	9,176	4,782	71,728	1,761	3,536	2,068	1,497	105,008	4,610	3,227	7,837	112,845
Telephone	2,311	1,961	1,262	971	777	971	582	0	8,835	582	291	873	9,708
Postage and Shipping	130	130	148	63	47	59	35	0	612	39	947	986	1,598
Occupancy	30,797	28,905	16,185	12,508	10,119	12,508	7,730	1,877	120,629	12,144	3,865	16,009	136,638
Equipment Repair and Rental	13,507	5,193	2,671	2,057	2,778	2,057	1,244	79	29,586	1,293	622	1,915	31,501
Travel and Vehicle	0	7,961	3,635	0	22	288	0	790	12,696	363	0	363	13,059
Conferences and Meetings	50	50	5,258	13,421	0	140	0	953	19,872	1,872	0	1,872	21,744
Advertising	0	0	0	0	0	0	0	0	-	930	49	979	979
Miscellaneous	2,406	3,702	875	893	539	654	404	0	9,473	10,007	25,066	35,073	44,546
Interest	2,863	0	0	0	0	0	0	0	2,863	0	84,300	84,300	87,163
Depreciation	38,655	38,655	17,571	14,057	12,299	14,057	10,542	17,571	163,407	270	5,271	5,541	168,948
Total Functional Expenses	\$ 295,409	\$ 220,002	\$ 154,731	\$ 157,230	\$ 49,674	\$ 115,272	\$ 54,461	\$ 60,968	\$ 1,107,747	\$ 46,134	\$131,069	\$ 177,203	\$ 1,284,950

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, 2020 and 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets	\$ 367,420	\$ 250,717
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	171,041	168,948
In-Kind Support for Property and Equipment	(1,046)	0
Loss on Disposition of Property and Equipment	2,905	0
Unrealized Gain on Investments	(9,104)	(10,838)
Changes in Assets and Liabilities:		
Accounts Receivable and Refundable Sales Tax	(450)	(1,416)
Promises to Give	(33,100)	39,862
Inventory	0	8,400
Capital Campaign Unconditional Promises to Give	149,328	(395,658)
Accounts Payable	9,661	(39,977)
Accrued Expenses	1,804	4,321
NET CASH PROVIDED BY OPERATING ACTIVITIES	658,459	24,359
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from Sale of Investments	20,836	45,503
Purchases of Investments	(21,584)	(50,462)
Purchases of Property and Equipment	(22,272)	0
NET CASH USED BY INVESTING ACTIVITIES	(23,020)	(4,959)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Increase (Decrease) in Cash Restricted for Capital Campaign	(204,558)	110,668
Proceeds from Long-Term Debt	40,000	0
Repayment of Long-Term Debt	(103,334)	(100,000)
Repayment of Capital Lease	(19,314)	(20,281)
NET CASH USED BY INVESTING ACTIVITIES	(287,206)	(9,613)
NET INCREASE IN CASH AND CASH EQUIVALENTS	348,233	9,787
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	81,665	71,878
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 429,898	\$ 81,665
Supplemental Disclosure of Cash Flow Information:		
Cash paid for:		
Interest	\$ 50,714	\$ 84,032
Non-Cash Investing and Financing Activities:		
Purchases of Property and Equipment Included in Accounts Payable	\$ 94,420	\$ 0

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, 2020 and 2019

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.

Maternal Health – 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.

Healthy Beginnings – Provides a personalized program for healthy pregnancies, healthy children, and to maintain a healthy lifestyle between pregnancies to minority women between 20-30 years old and their children.

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.

(Continued)

YWCA OF HIGH POINT, NC, INC.
Notes to Financial Statements
For the Years Ended December 31, 2020 and 2019

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

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.

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.

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, 2020 and 2019 was \$152,371 and \$150,278 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, 2020 and 2019.

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 \$910,000 and \$357,000 at December 31, 2020 and 2019, 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, 2020 and 2019

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

As of December 31, 2020, 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 2017.

Revenue Recognition –The Organization has multiple revenue streams that are accounted for as reciprocal exchange transactions including membership and program fees.

Because the Organization's performance obligations relate to contracts with a duration of less than one year, the Organization has elected to apply the optional exemption provided in the revenue recognition guidance, and, therefore, is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period. There are no incremental costs of obtaining a contract and no significant financing components.

Membership dues and program fees consist of amounts that families and individuals pay to participate in health, fitness, education and recreation activities and programs. Members join for varying lengths of time and may cancel with notice. Members generally pay a onetime joining fee plus monthly dues in advance. Memberships provide use of the recreation facilities, access to free classes, programs and activities, and discounts to fee-based programs. The Organization offers a variety of programs including family, child care, day camp, fitness, aquatics, and other services. Fee-based programs are available to the public. Program fees for longer duration programs, such as fee-based childcare, are usually paid monthly in advance. Cancellation provisions vary by program, but most transactions are cancellable with written notice. Refunds may be available for services not provided. Financial assistance is available to members and program participants. Such financial assistance is reflected as a reduction of gross membership dues and program fees.

Membership dues and program fees are recognized at a point in time when payments for services are received and the Organization is reasonably expected to fulfill the performance obligations of the contract.

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.

(Continued)

YWCA OF HIGH POINT, NC, INC.
Notes to Financial Statements
For the Years Ended December 31, 2020 and 2019

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

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 October 1, 2021, the date the financial statements were available to be issued. The Organization is impacted by the Covid-19 pandemic unfolding in the United States. Management has determined it is not possible to predict the eventual outcome of these events. The accompanying financial statements do not include any adjustment related to these matters.

Reclassification - Certain amounts in the 2019 financial statements have been reclassified to conform to the 2020 presentation. The reclassification did not change total net assets or the change in nets assets for 2019.

Recent Accounting Pronouncements - In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, which will require leases to be recorded as an asset on the balance sheet for the right to use the leased asset and a liability for the corresponding lease obligation for leases with terms of more than twelve months. ASU 2016-02 is effective for non-public companies for fiscal years beginning after December 15, 2019, with early adoption permitted. In May 2020, the FASB issued ASU 2020-05, *Leases (Topic 842)*. This standard defers the effective date to years beginning after December 15, 2021. The Organization is evaluating the impact the pronouncement may have on the financial statements.

NOTE 2 – Receivables

Receivables at December 31, 2020 and 2019 are summarized as follows:

	<u>2020</u>	<u>2019</u>
Accounts Receivable:		
Program Services	\$ 2,060	\$ 5,364
Other Receivables:		
Sales Tax Refund	\$ 10,526	\$ 6,772

NOTE 3 – Promises to Give

Promises to give at December 31, 2020 and 2019 are as follows:

	<u>2020</u>	<u>2019</u>
United Way Services	\$ 111,848	\$ 126,041
Adolescent Parenting Program	71,276	46,461
Community Development Block Grant	0	8,400
Z Smith Reynolds	30,000	30,000
Housing Authority of the City of High Point	14,777	8,889
YMCA Triangle	9,705	0
Other	15,534	250
Total Promises to Give	<u>253,140</u>	<u>220,041</u>

(Continued)

YWCA OF HIGH POINT, NC, INC.
Notes to Financial Statements
For the Years Ended December 31, 2020 and 2019

NOTE 3 – Promises to Give (Continued)

	<u>2020</u>	<u>2019</u>
Capital Campaign	426,370	599,595
Less: Unamortized Discount	26,853	50,750
Net Capital Campaign	<u>399,517</u>	<u>548,845</u>
 Total Promises to Give	 <u>\$ 652,657</u>	 <u>\$ 768,886</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 \$0 and \$7,139 for the years ended December 31, 2020 and 2019, respectively.

Promises to give not related to the Capital Campaign are expected to be received in 2021. Promises to give associated with the capital campaign are expected to be collected between 2021 and 2024.

NOTE 4 – Investments

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

	<u>Cost</u>	<u>Market Value</u>	<u>Unrealized Appreciation</u>
December 31, 2020			
Mutual Funds	<u>\$ 89,567</u>	<u>\$ 101,967</u>	<u>\$ 12,400</u>
 December 31, 2019			
Mutual Funds	<u>\$ 88,815</u>	<u>\$ 92,112</u>	<u>\$ 3,297</u>

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>2020</u>	<u>2019</u>
Without Donor Restrictions:		
Interest Income	\$ 170	\$ 1
Dividend Income	1,210	2,133
Short-term Capital Gain	391	1,498
Long-term Capital (Loss)	(223)	(4,493)
Foreign Tax Paid	0	(75)
Custodian Fees	<u>(850)</u>	<u>(834)</u>
Total Without Donor Restrictions	698	(1,770)

(Continued)

YWCA OF HIGH POINT, NC, INC.
Notes to Financial Statements
For the Years Ended December 31, 2020 and 2019

NOTE 4 – Investments (Continued)

	2020	2019
With Donor Restrictions:		
Net Realized and Unrealized Gain	9,103	17,431
Total	\$ 9,801	\$ 15,661

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 completed in November 2015. Phase 2 totaled approximately \$1.1M and was completed in 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.

NOTE 6 – Property and Equipment

Property and equipment at December 31, 2020 and 2019 is summarized as follows:

	2020	2019
Building	\$ 3,995,800	\$ 3,969,104
Furniture and Equipment	424,634	404,014
Vehicles	157,237	157,237
Land	121,333	121,334
	4,699,004	4,651,689
Less Accumulated Depreciation	1,597,274	1,493,751
	\$ 3,101,730	\$ 3,157,938

NOTE 7 – Long-Term Debt

Long-term debt consists of:

	2020	2019
Construction note payable to a bank, payable in 19 quarterly principal payments of \$25,000 plus interest at LIBOR plus 2.4 percentage points (2.54088% at December 31, 2020) 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.	\$ 1,625,000	\$ 1,725,000

(Continued)

YWCA OF HIGH POINT, NC, INC.
Notes to Financial Statements
For the Years Ended December 31, 2020 and 2019

NOTE 7 – Long-Term Debt (Continued)

	2020	2019
Note Payable to a related party, payable in 35 equal interest free consecutive monthly installments of \$1,111	36,666	0
Total Debt	1,661,666	1,725,000
Less Current Maturities	113,333	100,000
Total Long-Term Debt	\$ 1,548,333	\$ 1,625,000

Future maturities of long term debt are as follows:

2022	\$ 1,538,333
2023	10,000
	\$ 1,548,333

Interest expense was \$51,944 and \$84,300 for the years ended December 31, 2020 and 2019, 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, 2020 the Organization was either in compliance with the covenants or had obtained written waivers.

In response to the Coronavirus (COVID-19) outbreak in 2020, the U.S. Federal Government enacted the Coronavirus Aid, Relief, and Economic Security Act that, among other economic stimulus measures, established the Paycheck Protection Program (PPP) and Economic Injury Disaster Loan program (EIDL) to provide small business loans and grants. In May 2020, the Organization obtained a PPP loan in the amount of \$128,793. Under the terms of the PPP, certain amounts of the loan may be forgiven if they are used for qualifying expenses as described in the CARES Act. The entire PPP loan balance was forgiven in 2021. In June 2020, the Organization obtained an EIDL grant of \$10,000, which is automatically forgivable and was taken into income in 2020.

NOTE 8 – Equipment Under Capital Lease

The Company has entered into a lease-purchase agreement to acquire equipment. 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 \$18,670 for each of the years ended December 31, 2020 and 2019, respectively.

(Continued)

YWCA OF HIGH POINT, NC, INC.
Notes to Financial Statements
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NOTE 8 – Equipment Under Capital Lease (Continued)

Future minimum lease payments under the capital-lease obligation subsequent to December 31, 2020 are as follows:

Year Ending December 31:

2021	\$	23,142
2022		19,859
Future Minimum Lease Payments		43,001
Less Amount Representing Interest		1,620
Present Value of Minimum Lease Payments		41,381
Less: Current Portion		21,887
Long-Term Capital Lease Obligation	\$	19,494

NOTE 9 – Net Assets with Donor Restrictions

Net Assets with Donor Restrictions consist of the following:

	2020	2019
United Way Allocation	\$ 115,724	\$ 126,042
Adolescent Parenting Program	71,276	46,461
Capital Campaign - Pledges and Cash	1,129,528	1,074,298
Z. Smith Reynolds	30,000	30,000
Community Development Block Grant	0	8,400
Other	0	28,791
	\$ 1,346,528	\$ 1,313,992

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.

(Continued)

YWCA OF HIGH POINT, NC, INC.
Notes to Financial Statements
For the Years Ended December 31, 2020 and 2019

NOTE 10 – Donated Services, Materials and Facilities (Continued)

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

	<u>2020</u>	<u>2019</u>
Contributions:		
Special Events	\$ 3,102	\$ 2,433
Aquatics	3,056	133
Women's Services	2,056	60,133
Child Care	9,055	1,633
Pottery Studio Art	2,056	133
Latino Family Center	2,056	713
Maternal Health	2,056	132
Management and General	2,056	132
Teaching Kitchen	2,756	132
Healthy Beginnings	2,056	132
	<u>\$ 30,305</u>	<u>\$ 65,706</u>

	<u>2020</u>	<u>2019</u>
Expenses/Assets:		
Program:		
Cost of Special Events	\$ 35	\$ 2,380
Aquatics	1,035	80
Women's Resource Center	35	60,080
Child Care	7,035	1,580
Pottery	35	80
Latino Family Center	35	661
Maternal Health	35	80
Teaching Kitchen	735	80
Healthy Beginnings	35	80
Professional Fees/Other	35	80
Total Program	<u>9,050</u>	<u>65,181</u>
Property and Equipment	21,255	525
	<u>\$ 30,305</u>	<u>\$ 65,706</u>

NOTE 11 – Leases

The Organization has entered into an operating lease for office equipment. Future minimum lease payments are \$2,760 due in 2021.

Lease expense was \$4,246 and \$5,182 for the years ended December 31, 2020 and 2019, respectively.

YWCA OF HIGH POINT, NC, INC.
Notes to Financial Statements
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NOTE 12 – Employee Benefit Plan

Employees who meet eligibility requirements participate in the National YWCA Retirement Plan. The Organization's contributions were \$7,660 and \$8,731 for the years ended December 31, 2020 and 2019, respectively.

NOTE 13 – Liquidity and Availability of Financial Assets

The following reflects the Organization's financial assets as of December 31, 2020, 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, 2020, 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	\$ 1,927,119
Less those unavailable for general expenditures within one year due to:	
Donor-restricted for capital campaign	1,129,528
Donor-restricted for purchase of equipment	<u>101,967</u>
Financial assets available to meet cash needs for general expenditure within one year	<u><u>\$ 695,624</u></u>

NOTE 14 – Related Party Transactions

Included in long-term debt is a loan from the YWCA USA for \$36,667 and \$0 for the years ended December 31, 2020 and 2019, respectively.

The Organization pays dues to the YWCA USA. Dues paid for the year end December 31, 2020 and 2019 were 4,461 and 5,791, respectively.