

YWCA OF HIGH POINT, NC, INC.

Financial Statements

December 31, 2021 and 2020

BRESLOW  STARLING

Certified Public Accountants

YWCA OF HIGH POINT, NC, INC.

DECEMBER 31, 2021 AND 2020

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Independent Auditor's Report

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

Opinion

We have audited the accompanying financial statements of Young Women's Christian Association of High Point, NC, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Young Women's Christian Association of High Point, NC, Inc. as of December 31, 2021 and 2020, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 Young Women's Christian Association of High Point, NC, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Young Women's Christian Association of High Point, NC, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 generally accepted auditing standards, 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 Young Women's Christian Association of High Point, NC, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Young Women's Christian Association of High Point, NC, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Breslow Starling Frost Warner Boger Hiatt, PLLC

Greensboro, North Carolina

October 11, 2022

YWCA OF HIGH POINT, NC, INC.
Statements of Financial Position
As of December 31, 2021 and 2020

Assets	2021	2020
Current Assets		
Cash and Cash Equivalents	\$ 755,185	\$ 429,898
Accounts Receivable	540	2,060
Refundable Sales Tax	5,855	10,526
Promises to Give	342,597	253,140
Prepaid Expenses	65	65
Total Current Assets	1,104,242	695,689
Endowment Investments	114,180	101,967
Other Assets		
Cash Restricted for Capital Campaign	625,479	730,011
Unconditional Promises to Give for Capital Campaign	346,592	399,517
Net Property and Equipment	2,964,064	3,101,730
Total Other Assets	3,936,135	4,231,258
Total Assets	\$ 5,154,557	\$ 5,028,914
Liabilities and Net Assets		
Current Liabilities		
Accounts Payable	\$ 22,211	\$ 127,117
Accrued Expenses	36,225	23,899
Current Maturities of Long-Term Debt	1,538,333	113,333
Current Portion of Capital Lease Obligation	17,630	21,887
Total Current Liabilities	1,614,399	286,236
Long-Term Liabilities		
Long-Term Debt, Less Current Maturities	10,000	1,548,333
Capital Lease Obligation, Net of Current Portion	0	19,494
Total Long-Term Liabilities	10,000	1,567,827
Total Liabilities	1,624,399	1,854,063
Net Assets		
Without Donor Restrictions	2,306,204	1,828,323
With Donor Restrictions	1,223,954	1,346,528
Total Net Assets	3,530,158	3,174,851
Total Liabilities and Net Assets	\$ 5,154,557	\$ 5,028,914

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, 2021 and 2020

	2021	2020
Net Assets without Donor Restrictions		
Revenues and Other Support		
United Way Allocation	\$ 109,163	\$ 115,725
Contributions	533,780	485,809
In-Kind Contributions	33,870	30,305
Special events (net of direct expenses of \$8,220 in 2021 and \$7,066 in 2020)	39,232	34,471
Membership Dues	11,624	9,557
Program Service Fees	303,021	128,583
Building Usage	100	3,887
Sales of Materials, Net	(1,184)	(645)
Investment Income	9,548	698
Interest Income	0	43
Loss on Disposal of Property and Equipment	0	(2,905)
PPP Loan and Other COVID Support	117,392	138,793
Other Income (Loss)	(4)	3,783
Total Revenues and Other Support	1,156,542	948,104
Net Assets Released from Donor Restrictions	819,534	559,698
Total Revenues and Other Support without Donor Restrictions	1,976,076	1,507,802
Expenses:		
Program Services (including in-kind expenses of \$33,870 in 2021 and \$30,305 in 2020)	1,364,880	1,041,543
Supporting Services		
Management and General	52,734	55,253
Fundraising	74,170	71,661
Payments to Affiliates	6,411	4,461
Total Expenses	1,498,195	1,172,918
Increase in Net Assets without Donor Restrictions	477,881	334,884
Net Assets with Donor Restrictions		
Contributions	222,666	35,200
United Way Allocation	107,219	111,848
Grants from Governmental Agencies	274,923	245,093
Capital Campaign	89,327	190,990
Investment Income	2,825	9,103
Net Assets Released from Donor Restrictions	(819,534)	(559,698)
Increase (Decrease) in Net Assets with Donor Restrictions	(122,574)	32,536
Increase in Net Assets	355,307	367,420
Net Assets, Beginning of Year	3,174,851	2,807,431
Net Assets, End of Year	\$ 3,530,158	\$ 3,174,851

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, 2021 and 2020

Year Ended December 31, 2021	Program Services										Supporting Services			Total Functional Expenses	
	Aquatics	Child Care	Family Life	Women's Services	Pottery Studio and Art	Latino Family Center	Teaching Kitchen	Healthy Beginnings	Maternal Health	Vax Connect	Total	Management and General	Fund Raising		Total Supporting Services
Compensation	\$ 171,845	\$ 122,053	\$ 111,709	\$ 29,238	\$ 0	\$ 83,812	\$ 14,031	\$ 46,669	\$ 84,487	\$ 44,522	\$ 708,366	\$ 13,460	\$ 6,730	\$ 20,190	\$ 728,556
Employee Benefits	4,017	7,332	3,846	1,098	219	4,870	1,013	2,570	4,551	836	30,352	961	507	1,468	31,820
Payroll Taxes	12,982	8,937	7,747	2,158	0	5,570	1,013	3,392	5,405	3,316	50,520	834	485	1,319	51,839
Professional Fees	3,575	3,575	1,625	1,300	1,138	1,300	975	1,625	928	0	16,041	2,960	2,738	5,698	21,739
Supplies	14,369	10,026	15,142	7,058	316	75,745	886	4,168	4,278	6,271	138,259	4,848	2,434	7,282	145,541
Telephone	2,147	2,147	1,211	781	627	781	586	1,211	683	0	10,174	390	295	685	10,859
Postage and Shipping	61	108	28	22	19	26	17	28	0	0	309	40	894	934	1,243
Occupancy	36,794	29,183	12,727	11,328	7,810	11,833	7,472	12,735	2,662	126	132,670	8,493	3,367	11,860	144,530
Equipment Repair and Rental	23,745	5,877	2,220	1,995	1,262	2,075	1,499	2,220	513	20	41,426	2,924	607	3,531	44,957
Travel and Vehicle	0	11,619	920	0	0	327	0	1,032	384	394	14,676	3,445	0	3,445	18,121
Conferences and Meetings	390	0	7,550	17,760	0	1,020	0	650	7,265	0	34,635	40	0	40	34,675
Advertising	0	0	0	0	0	0	0	0	0	0	0	2,464	0	2,464	2,464
Miscellaneous	2,414	3,275	5,280	747	653	747	561	3,490	3,214	0	20,381	11,815	11,881	23,696	44,077
Interest	0	0	0	0	0	0	0	0	0	0	0	0	39,696	39,696	39,696
Depreciation	34,287	33,870	15,143	12,763	9,570	13,002	9,059	15,143	24,174	60	167,071	60	4,536	4,596	171,667
Total Functional Expenses	\$ 306,626	\$ 238,002	\$ 185,148	\$ 86,248	\$ 21,614	\$ 201,108	\$ 37,112	\$ 94,933	\$ 138,544	\$ 55,545	\$ 1,364,880	\$ 52,734	\$ 74,170	\$ 126,904	\$ 1,491,784

Year Ended December 31, 2020	Program Services										Supporting Services			Total Functional Expenses	
	Aquatics	Child Care	Family Life	Women's Services	Pottery Studio and Art	Latino Family Center	Teaching Kitchen	Healthy Beginnings	Maternal Health	Vax Connect	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	\$ 0	\$ 0	\$ 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	0	0	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	0	0	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	0	0	14,648	725	473	1,198	15,846
Supplies	13,281	14,912	36,574	8,067	783	3,079	3,930	2,679	0	0	83,305	9,040	328	9,368	92,673
Telephone	2,133	2,212	970	776	679	776	582	891	0	0	9,019	388	290	678	9,697
Postage and Shipping	85	86	100	31	27	31	23	94	0	0	477	264	122	386	863
Occupancy	25,951	24,758	11,066	8,853	7,741	8,853	6,630	11,027	0	0	104,879	12,986	3,306	16,292	121,171
Equipment Repair and Rental	12,569	5,025	2,422	1,694	1,482	1,694	1,288	2,118	0	0	28,292	848	636	1,484	29,776
Travel and Vehicle	0	1,872	1,016	0	27	0	0	940	0	0	3,855	3,165	0	3,165	7,020
Conferences and Meetings	337	25	4,645	13,029	0	75	0	1,647	0	0	19,758	545	0	545	20,303
Advertising	0	0	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	4,319	426	1,461	0	0	16,927	10,944	2,565	13,509	30,436
Interest	0	0	0	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	0	0	165,431	274	5,336	5,610	171,041
Total Functional Expenses	\$ 263,764	\$ 217,365	\$ 178,814	\$ 90,508	\$ 43,536	\$ 105,706	\$ 46,514	\$ 95,336	\$ 0	\$ 0	\$ 1,041,543	\$ 55,253	\$ 71,661	\$ 126,914	\$ 1,168,457

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, 2021 and 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets	\$ 355,307	\$ 367,420
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	171,667	171,041
In-Kind Support for Property and Equipment	(8,731)	(1,046)
Loss on Disposition of Property and Equipment	0	2,905
Unrealized Gain on Investments	(27,625)	(9,104)
Changes in Assets and Liabilities:		
Accounts Receivable and Refundable Sales Tax	6,191	(450)
Promises to Give	(89,458)	(33,100)
Capital Campaign Unconditional Promises to Give	52,925	149,328
Accounts Payable	(104,906)	9,661
Accrued Expenses	12,326	1,804
NET CASH PROVIDED BY OPERATING ACTIVITIES	367,696	658,459
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from Sale of Investments	38,713	20,836
Purchases of Investments	(23,298)	(21,584)
Purchases of Property and Equipment	(25,268)	(22,272)
NET CASH USED BY INVESTING ACTIVITIES	(9,853)	(23,020)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Increase (Decrease) in Cash Restricted for Capital Campaign	104,532	(204,558)
Proceeds from Long-Term Debt	0	40,000
Repayment of Long-Term Debt	(113,334)	(103,334)
Repayment of Capital Lease	(23,754)	(19,314)
NET CASH USED BY INVESTING ACTIVITIES	(32,556)	(287,206)
NET INCREASE IN CASH AND CASH EQUIVALENTS	325,287	348,233
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	429,898	81,665
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 755,185	\$ 429,898
Supplemental Disclosure of Cash Flow Information:		
Cash paid for:		
Interest	\$ 39,696	\$ 50,714
Non-Cash Investing and Financing Activities:		
Purchases of Property and Equipment Included in Accounts Payable	\$ 0	\$ 94,220

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, 2021 and 2020

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.

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.

Maternal Health – Provides equal access to timely, quality maternal health care services, including family planning.

Vax Connect – Provides assistance in increasing COVID-19 vaccination rates amount Guilford County residents.

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.

(Continued)

YWCA OF HIGH POINT, NC, INC.
Notes to Financial Statements
For the Years Ended December 31, 2021 and 2020

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

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.

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, 2021 and 2020 was \$152,994 and \$152,371, 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, 2021 and 2020.

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 exceeded the federally insured limit by approximately \$1,130,000 and \$910,000 at December 31, 2021 and 2020, respectively.

(Continued)

YWCA OF HIGH POINT, NC, INC.
Notes to Financial Statements
For the Years Ended December 31, 2021 and 2020

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

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.

As of December 31, 2021, 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 2018.

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 one-time 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.

(Continued)

YWCA OF HIGH POINT, NC, INC.
Notes to Financial Statements
For the Years Ended December 31, 2021 and 2020

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

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 October 11, 2022, the date the financial statements were available to be issued. The Organization has agreed to incorporate Parents As Teachers Guilford County within its Maternal Health program in 2022. Also, as further disclosed in Note 7, the Organization obtained a new bank loan in March 2022 which repaid certain existing debt.

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, 2021 and 2020 are summarized as follows:

	<u>2021</u>	<u>2020</u>
Accounts Receivable:		
Program Services	\$ 540	\$ 2,060
Other Receivables:		
Sales Tax Refund	\$ 5,855	\$ 10,526

YWCA OF HIGH POINT, NC, INC.
Notes to Financial Statements
For the Years Ended December 31, 2021 and 2020

NOTE 3 – Promises to Give

Promises to give at December 31, 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
United Way Services	\$ 107,219	\$ 111,848
Adolescent Parenting Program	63,318	71,276
Community Development Block Grant	19,402	0
Z Smith Reynolds	60,000	30,000
Housing Authority of the City of High Point	10,490	14,777
YMCA Triangle	13,905	9,705
North Carolina Department of Health and Human Resources	24,240	0
Guilford County	17,674	0
Other	26,349	15,534
Total Promises to Give	<u>342,597</u>	<u>253,140</u>
Capital Campaign	348,376	426,370
Less: Unamortized Discount	1,784	26,853
Net Capital Campaign	<u>346,592</u>	<u>399,517</u>
Total Promises to Give	<u>\$ 689,189</u>	<u>\$ 652,657</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 for the years ended December 31, 2021 and 2020, respectively.

Promises to give not related to the Capital Campaign are expected to be received in 2022. Promises to give associated with the capital campaign are expected to be collected between 2022 and 2025.

NOTE 4 – Investments

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

December 31, 2021		Market	Unrealized
Mutual Funds	<u>Cost</u>	<u>Value</u>	<u>Appreciation</u>
	<u>\$ 98,955</u>	<u>\$ 114,180</u>	<u>\$ 15,225</u>
December 31, 2020		Market	Unrealized
Mutual Funds	<u>Cost</u>	<u>Value</u>	<u>Appreciaiton</u>
	<u>\$ 89,567</u>	<u>\$ 101,967</u>	<u>\$ 12,400</u>

(Continued)

YWCA OF HIGH POINT, NC, INC.
Notes to Financial Statements
For the Years Ended December 31, 2021 and 2020

NOTE 4 – Investments (Continued)

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>2021</u>	<u>2020</u>
Without Donor Restrictions:		
Interest Income	\$ 110	\$ 170
Dividend Income	3,811	1,210
Short-term Capital Gain	5,652	391
Long-term Capital Gain (Loss)	1,057	(223)
Foreign Tax Paid	0	0
Custodian Fees	(1,082)	(850)
Total Without Donor Restrictions	<u>9,548</u>	<u>698</u>
With Donor Restrictions:		
Net Realized and Unrealized Gain	<u>2,825</u>	<u>9,103</u>
Total	<u>\$ 12,373</u>	<u>\$ 9,801</u>

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, 2021 and 2020 is summarized as follows:

	<u>2021</u>	<u>2020</u>
Building	\$ 4,025,573	\$ 3,995,799
Furniture and Equipment	428,860	424,634
Vehicles	157,237	157,237
Land	121,333	121,334
	<u>4,733,003</u>	<u>4,699,004</u>
Less Accumulated Depreciation	<u>1,768,939</u>	<u>1,597,274</u>
	<u>\$ 2,964,064</u>	<u>\$ 3,101,730</u>

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For the Years Ended December 31, 2021 and 2020

NOTE 7 – Long-Term Debt

Long-term debt consists of:

	2021	2020
Construction note payable to a bank, payable in 19 quarterly principal payments of \$25,000 plus interest at LIBOR plus 2.4 percentage points (2.50863% at December 31, 2021) 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. Repaid during March 2022, see below.	\$ 1,525,000	\$ 1,625,000
Note Payable to the YWCA USA, payable in 35 equal interest free consecutive monthly installments of \$1,111	23,333	36,666
Total Debt	1,548,333	1,661,666
Less Current Maturities	1,538,333	113,333
Total Long-Term Debt	\$ 10,000	\$ 1,548,333

Future maturities of long term debt are as follows:

2023	\$	10,000
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Interest expense was \$39,696 and \$51,944 for the years ended December 31, 2021 and 2020, 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, 2021 the Organization was either in compliance with the covenants or had obtained written waivers.

In March 2022, the Organization made a loan commitment with a financial institution for \$3,500,000 with a 5 year term and a fixed interest rate of 3.35%. This will be used in part to repay the \$1,525,000 construction loan referred to above. The payments are interest only during the life of the loan with the following maximum principal balances:

2025	\$2,500,000
2026	\$2,000,000
2027	\$1,500,000

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NOTE 8 – Equipment Under Capital Lease

The Organization 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, 2021 and 2020, respectively.

Future minimum lease payments under the capital-lease obligation subsequent to December 31, 2021 are as follows:

Year Ending December 31:

2022	\$	17,932
		<u>17,932</u>
Future Minimum Lease Payments		17,932
Less Amount Representing Interest		302
Present Value of Minimum Lease Payments		<u>17,630</u>
Less: Current Portion		<u>17,630</u>
Long-Term Capital Lease Obligation	\$	<u>0</u>

NOTE 9 – Net Assets with Donor Restrictions

Net Assets with Donor Restrictions consist of the following:

	<u>2021</u>	<u>2020</u>
United Way Allocation	\$ 109,163	\$ 115,724
Adolescent Parenting Program	63,318	71,276
Capital Campaign - Pledges and Cash	972,071	1,129,528
Z. Smith Reynolds	60,000	30,000
Community Development Block Grant	19,402	0
	<u>\$ 1,223,954</u>	<u>\$ 1,346,528</u>

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, 2021 and 2020

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

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

	2021	2020
Contributions:		
Special Events	\$ 1,673	\$ 3,102
Aquatics	1,673	3,056
Women's Services	8,365	2,056
Child Care	1,673	9,055
Pottery Studio Art	1,672	2,056
Latino Family Center	4,559	2,056
Family Life	3,141	2,056
Management and General	1,672	2,056
Teaching Kitchen	6,098	2,756
Healthy Beginnings	1,672	2,056
VaxConnect	1,672	0
	\$ 33,870	\$ 30,305
	2021	2020
Expenses/Assets:		
Program:		
Cost of Special Events	\$ 191	\$ 35
Aquatics	191	1,035
Women's Resource Center	958	35
Child Care	191	7,035
Pottery	192	35
Latino Family Center	242	35
Family Life	192	35
Teaching Kitchen	192	735
Healthy Beginnings	192	35
VaxConnect	192	0
Professional Fees/Other	192	35
Total Program	2,925	9,050
Property and Equipment	30,945	21,255
	\$ 33,870	\$ 30,305

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NOTE 11 – Leases

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

2022	\$ 2,760
2023	2,760
2024	2,760
2025	<u>2,760</u>
	<u>\$ 11,040</u>

Lease expense was \$3,589 and \$4,246 for the years ended December 31, 2021 and 2020, respectively.

NOTE 12 – Employee Benefit Plan

Employees who meet eligibility requirements participate in the National YWCA Retirement Plan. The Organization’s contributions were \$3,717 and \$7,660 for the years ended December 31, 2021 and 2020, respectively.

NOTE 13 – Liquidity and Availability of Financial Assets

The following reflects the Organization’s financial assets as of December 31, 2021, 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, 2021, 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	\$ 2,190,428
Less those unavailable for general expenditures within one year due to:	
Donor-restricted for capital campaign	972,071
Donor-restricted for purchase of equipment	<u>114,180</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 1,104,177</u>

YWCA OF HIGH POINT, NC, INC.
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NOTE 14 – Related Party Transactions

Included in long-term debt is a loan from the YWCA USA for \$23,333 and \$36,660 for the years ended December 31, 2021 and 2020, respectively.

The Organization pays dues to the YWCA USA. Dues paid for the year end December 31, 2021 and 2020 were 6,411 and 4,461, respectively.