

YWCA OF HIGH POINT NC, INC.

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT**

Years Ended December 31, 2024 and 2023

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COSTELLO HILL & COMPANY, L.L.P.



CERTIFIED PUBLIC
ACCOUNTANTS
GREENSBORO,
NORTH CAROLINA

LESTER F. HILL, CPA
W. GREGORY ASHLEY, CPA
SUSAN S. MOYE, CPA

INDEPENDENT AUDITORS' REPORT

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 are comprised of the statement of financial position as of December 31, 2024 and 2023, and the related statement 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, 2024 and 2023, 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 and with the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' 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 audit. 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 these 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.

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The Board of Directors
YWCA of High Point NC, Inc.
High Point, NC

Auditors' 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 auditors' 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 controls 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.



Certified Public Accountants

Greensboro, NC
September 17, 2025

YWCA OF HIGH POINT, INC
Statements of Financial Position
December 31, 2024 and 2023

ASSETS

	2024	2023
CURRENT ASSETS		
Cash and cash equivalents	\$ 501,023	\$ 523,303
Accounts receivable	11,923	19,032
Refundable sales tax	9,366	21,962
Prepaid expenses	1,752	-
Endowment investments	127,488	119,950
Promises to give	195,518	268,606
 TOTAL CURRENT ASSETS	 847,070	 952,853
OTHER ASSETS		
Cash restricted for capital campaign	174,225	117,568
Unconditional promises to give for capital campaign	167,418	210,450
Right of use asset	8,999	11,346
 TOTAL OTHER ASSETS	 350,642	 339,364
PROPERTY AND EQUIPMENT		
Building	5,325,130	5,321,610
Land	121,334	121,334
Equipment	497,497	441,440
Vehicles	157,237	157,237
	6,101,198	6,041,621
Less: Accumulated depreciation	2,237,695	2,068,698
 TOTAL PROPERTY AND EQUIPMENT	 3,863,503	 3,972,923
 TOTAL ASSETS	 \$ 5,061,215	 \$ 5,265,140

YWCA OF HIGH POINT, INC
Statements of Financial Position
December 31, 2024 and 2023

LIABILITIES AND NET ASSETS

	2024	2023
CURRENT LIABILITIES		
Accounts payable	\$ 26,272	\$ 74,412
Accrued expenses	58,833	35,298
Lease obligations - current portion	8,999	7,766
TOTAL CURRENT LIABILITIES	94,104	117,476
LONG-TERM LIABILITIES		
Long-term debt, less current maturities	1,785,959	1,835,491
Lease obligations, net of current portion	-	3,580
TOTAL LONG-TERM LIABILITIES	1,785,959	1,839,071
TOTAL LIABILITIES	1,880,063	1,956,547
NET ASSETS		
Without donor restrictions	2,707,473	2,870,088
With donor restrictions	473,679	438,505
TOTAL NET ASSETS	3,181,152	3,308,593
TOTAL LIABILITIES AND NET ASSETS	\$ 5,061,215	\$ 5,265,140

YWCA OF HIGH POINT, INC

Statements of Activities

For the Years Ended December 31, 2024 and 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE						
Contributions	\$ 177,960	\$ 230,356	\$ 408,316	\$ 207,615	\$ 227,600	\$ 435,215
United Way allocation	-	242,522	242,522	-	214,516	214,516
Grants from governmental agencies	767,533	-	767,533	668,193	-	668,193
Capital campaign	-	204,599	204,599	-	149,475	149,475
In-Kind contributions	86,463	-	86,463	75,233	-	75,233
Special events, net of direct expenses of \$20,113 in 2024 and \$21,268 in 2023	32,448	-	32,448	32,879	-	32,879
Membership dues	19,068	-	19,068	13,581	-	13,581
Program service fees	263,131	-	263,131	271,088	-	271,088
Building usage	17,721	-	17,721	11,586	-	11,586
Sales of materials, Net	70	-	70	288	-	288
Investment income	21,325	7,335	28,660	16,845	5,446	22,291
Other income	484	-	484	2,731	-	2,731
	<u>1,386,203</u>	<u>684,812</u>	<u>2,071,015</u>	<u>1,300,039</u>	<u>597,037</u>	<u>1,897,076</u>
	<u>649,638</u>	<u>(649,638)</u>	<u>-</u>	<u>873,361</u>	<u>(873,361)</u>	<u>-</u>
Net assets released from restrictions						
	<u>2,035,841</u>	<u>35,174</u>	<u>2,071,015</u>	<u>2,173,400</u>	<u>(276,324)</u>	<u>1,897,076</u>
TOTAL SUPPORT AND REVENUE						
	<u>1,957,552</u>	<u>-</u>	<u>1,957,552</u>	<u>1,837,300</u>	<u>-</u>	<u>1,837,300</u>
FUNCTIONAL EXPENSES						
Program services	137,063	-	137,063	94,350	-	94,350
Supporting services	94,347	-	94,347	78,577	-	78,577
Fundraising expenses	9,494	-	9,494	7,424	-	7,424
Payments to affiliates						
	<u>2,198,456</u>	<u>-</u>	<u>2,198,456</u>	<u>2,017,651</u>	<u>-</u>	<u>2,017,651</u>
TOTAL FUNCTIONAL EXPENSES						
	<u>(162,615)</u>	<u>35,174</u>	<u>(127,441)</u>	<u>155,749</u>	<u>(276,324)</u>	<u>(120,575)</u>
CHANGES IN NET ASSETS						
	<u>2,870,088</u>	<u>438,505</u>	<u>3,308,593</u>	<u>2,714,339</u>	<u>714,829</u>	<u>3,429,168</u>
NET ASSETS - BEGINNING OF YEAR						
	<u>\$ 2,707,473</u>	<u>\$ 473,679</u>	<u>\$ 3,181,152</u>	<u>\$ 2,870,088</u>	<u>\$ 438,505</u>	<u>\$ 3,308,593</u>

See accompanying Notes to Financial Statements.

YWCA OF HIGH POINT, INC
Statements of Functional Expenses
For the Years Ended December 31, 2024 and 2023

Year Ended December 31, 2024	Aquatics	Youth	Family Support	Women's Services	Racial Justice	Latino Family Center	Teaching Kitchen	Healthy Beginnings	Maternal Health	Vax Connect	Total Program Services	Supporting Services	Fundraising	Total
Compensation	\$ 251,714	\$ 382,762	\$ 118,262	\$ 88,579	\$ 100	\$ 134,962	\$ 206	\$ 66,549	\$ 109,936	\$ -	\$ 1,153,070	\$ 66,545	\$ 11,629	\$ 1,231,244
Employee benefits	9,388	13,826	7,139	3,744	82	11,097	164	2,506	5,849	-	53,795	(665)	227	53,357
Payroll taxes	15,620	19,212	9,739	10,010	-	11,244	13	8,509	9,692	-	84,039	6,934	3,468	94,441
Professional fees	5,875	5,170	1,880	3,290	235	4,230	470	940	940	-	23,030	2,655	235	25,920
Supplies	18,747	49,627	23,104	48,754	14,213	10,966	917	12,753	11,517	-	190,598	17,314	5,617	213,529
Telephone	2,428	7,497	2,117	1,384	97	1,962	194	1,020	1,649	-	18,348	852	97	19,297
Occupancy	40,781	41,819	13,808	21,383	1,260	25,702	2,525	8,754	9,731	-	165,763	5,862	3,114	174,739
Computer expense	3,875	3,292	1,237	2,158	149	2,784	309	616	727	-	15,147	153	154	15,454
Equipment repair and rental	29,531	3,669	1,312	2,532	401	3,006	1,018	665	804	-	42,938	2,366	222	45,526
Travel & vehicle	-	10,689	1,043	-	-	11,270	-	1,318	509	-	24,829	-	-	24,829
Conferences & meetings	412	7,907	1,672	1,537	8,876	2,927	-	1,217	1,466	-	26,014	4,671	285	30,970
Advertising	-	2,375	10	-	10	-	-	-	-	-	2,385	828	-	3,213
Miscellaneous	465	4,348	904	755	-	254	25	204	702	-	7,667	14,403	55	22,125
Interest	-	-	-	-	-	-	-	-	-	-	-	2,354	62,233	64,587
Depreciation	28,199	26,105	17,721	21,418	617	23,883	1,231	15,256	15,499	-	149,929	12,791	7,011	169,731
TOTALS	\$ 407,035	\$ 578,298	\$ 199,948	\$ 205,544	\$ 26,040	\$ 244,287	\$ 7,072	\$ 120,307	\$ 169,021	\$ -	\$ 1,957,552	\$ 137,063	\$ 94,347	\$ 2,188,962
Year Ended December 31, 2023	Aquatics	Youth	Family Support	Women's Services	Racial Justice	Latino Family Center	Teaching Kitchen	Healthy Beginnings	Maternal Health	Vax Connect	Total Program Services	Supporting Services	Fundraising	Total
Compensation	\$ 225,428	\$ 326,411	\$ 111,894	\$ 82,026	\$ 20,848	\$ 114,564	\$ 838	\$ 62,715	\$ 160,256	\$ 22,300	\$ 1,127,280	\$ 32,364	\$ 12,472	\$ 1,172,116
Employee benefits	8,518	11,433	5,275	3,120	81	7,670	133	4,034	4,397	32	44,693	1,562	813	47,068
Payroll taxes	17,815	26,048	8,823	6,420	416	8,335	69	4,855	10,356	1,826	84,963	1,812	906	87,681
Professional fees	5,950	5,133	1,904	3,332	230	4,284	476	952	1,190	8	23,459	673	238	24,370
Supplies	19,421	20,653	19,966	50,574	5,801	11,586	1,084	3,282	17,824	1,355	151,546	8,604	3,950	164,100
Telephone	2,463	7,105	1,928	1,379	54	1,867	197	964	1,584	42	17,583	572	99	18,254
Postage & shipping	64	62	20	35	1	46	5	10	13	2	258	24	891	1,173
Occupancy	41,783	42,726	13,523	21,555	734	26,913	2,677	8,170	9,509	605	168,195	4,092	2,746	175,033
Computer expense	3,814	3,204	1,219	2,137	89	2,746	305	610	763	64	14,951	153	153	15,257
Equipment repair and rental	12,384	4,549	1,617	2,533	78	3,327	499	774	965	132	26,878	1,100	264	28,242
Travel & vehicle	-	10,143	1,345	-	-	607	-	789	1,225	272	14,381	46	-	14,427
Conferences & meetings	505	10,847	2,300	(315)	135	801	-	575	5,663	-	20,511	2,140	-	22,651
Advertising	-	3,000	10	-	-	-	-	-	-	-	3,010	2,580	-	5,590
Miscellaneous	1,378	970	537	18	46	86	6	723	2,775	93	6,632	19,135	-	25,767
Interest	-	-	-	-	-	-	-	-	-	-	-	2,354	54,690	57,044
TOTALS	\$ 373,443	\$ 500,527	\$ 181,589	\$ 191,815	\$ 29,124	\$ 207,251	\$ 8,998	\$ 93,860	\$ 223,322	\$ 27,351	\$ 1,837,300	\$ 94,350	\$ 78,577	\$ 2,010,227

See accompanying Notes to Financial Statements.

YWCA OF HIGH POINT, INC
Statements of Cash Flows
For the Years Ended December 31, 2024 and 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ (127,441)	\$ (120,575)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation and amortization	172,085	153,807
In-kind support for property and equipment	(44,314)	-
Unrealized (gain) loss on investments	(4,951)	(784)
Changes in operating assets and liabilities:		
Accounts receivable and refundable sales tax	19,705	16,284
Prepaid expenses	(1,752)	-
Promises to give	73,088	35,614
Capital campaign unconditional promises to give	43,033	117,073
Accounts payable	(48,140)	(46,805)
Accrued expenses	23,535	10,772
	104,848	165,386
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	213,738	25,437
Purchases of investments	(216,029)	(25,285)
Purchases of property and equipment	(16,295)	(895,693)
	(18,586)	(895,541)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term debt	48,115	333,463
Payments on long-term debt	(100,000)	(10,000)
	(51,885)	323,463
NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	34,377	(406,692)
CASH, CASH EQUIVALENTS AND RESTRICTED CASH AT BEGINNING OF YEAR	640,871	1,047,563
CASH, CASH EQUIVALENTS AND RESTRICTED CASH AT END OF YEAR	\$ 675,248	\$ 640,871
SUPPLEMENTAL CASH FLOW INFORMATION		
Cash Payments for Interest	\$ 62,233	\$ 54,690

YWCA OF HIGH POINT NC, INC.
Notes to Financial Statements
December 31, 2024 and 2023

NOTE A. OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Young Women's Christian Association of High Point, NC, Inc. (the Organization) is a nonprofit organization in High Point, North Carolina established for the purpose of promotion of growth in Christian character and service through physical, social, mental, and spiritual training. The Organization is supported primarily through grants and contracts, donor contributions, and membership dues for its facilities. The 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.

Racial Justice – Programs to advocate for racial justice from voting rights to civil rights, from affordable housing to pay equity and from violence prevention to health care reform.

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.

Basis of Accounting and Presentation

The financial statements have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

The Organization reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

YWCA OF HIGH POINT NC, INC.
Notes to Financial Statements
December 31, 2024 and 2023

NOTE A. OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting and Presentation (Concluded)

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions.

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity.

The Organization's unspent contributions are reported in net assets with donor restrictions if the donor limited their use. When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

Cash, Cash Equivalents and Restricted Cash

For purposes of the statement of cash flows, the Organization considers all bank accounts and short-term investments with a maturity of three months or less to be cash equivalents. This does not include accounts which are subject to withdrawal restrictions.

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.

Receivables

Accounts receivable consists of amounts due for program services provided. As of December 31, 2024 and 2023, management has determined that all amounts are fully collectible and no allowance for doubtful accounts is necessary.

Property and Equipment

Property and equipment items are stated at original cost to the Organization when purchased, or if donated, at their estimated fair market value at the date of the donation. Depreciation is computed using the straight-line method over estimated useful lives of 3 - 39 years. It is the Organization's policy to capitalize property and equipment expenditures over \$500 with a depreciable life over three years or more. Expenditures for repairs, maintenance, and other minor amounts are charged to operations as incurred. Depreciation expense was \$169,732 and \$151,454 for the years ended December 31, 2024 and 2023, respectively.

YWCA OF HIGH POINT NC, INC.
Notes to Financial Statements
December 31, 2024 and 2023

NOTE A. OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 FDIC up to \$250,000 per institution. The bank balances exceeded the federally insured limit by approximately \$425,000 and \$390,000 at December 31, 2024 and 2023, respectively.

Revenue and Support

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 year. 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 for fee-based programs. The Organization offers a variety of programs including family, childcare, 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 cancelable 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 received are recorded as with donor restrictions or without donor restrictions, depending on the existence or nature of any donor restrictions.

Donated Services, Materials, and Facilities

The Organization receives donated contributions of food and other supplies from various donors. Donations of materials are recorded as contributions with the corresponding expense at fair value at the date of donation.

YWCA OF HIGH POINT, INC.
Notes to Financial Statements
December 31, 2024 and 2023

NOTE A. OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Donated Services, Materials, and Facilities (Concluded)

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Many individuals volunteer their time and perform a variety of tasks that assist the Organization with specific assistance programs that are not recognized as contributions in the financial statements since the recognition criteria were not met.

In-Kind contributions consisted of the following:

	2024	2023
Furnishings	\$ 44,314	\$ -
Program supplies	30,075	31,130
Contract services	-	1,000
Stock donations	10,074	39,674
Heart of the Community – event expenses	2,000	3,429
Total	\$ 86,463	\$ 75,233

Functional Expenses

The costs of providing programs, supporting services, and fundraising have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification of expenses by function. Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of square footage or estimates of time and effort.

Advertising

All costs of advertising are expensed as they are incurred.

Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, and the reported revenues and expenses. On an ongoing basis, management evaluates the estimates and assumptions based on new information. Management believes that the estimates and assumptions are reasonable in the circumstances; however, actual results could differ from those estimates.

Income Taxes

The Organization is a not-for-profit Organization that is exempt from income taxes under Section 501(c) (3) of the Internal Revenue Code. It is the Organization's policy to evaluate all tax positions to identify any that may be considered uncertain. All identified material tax positions are assessed and measured by a "more-likely-than-not" threshold to determine if the tax position is uncertain and what, if any, the effect of the uncertain tax position may be on the financial statements. No material uncertain tax positions were identified for years 2024 and 2023. Currently, the statute of limitations remains open subsequent to and including tax year 2021; however, no examinations are in process or anticipated.

YWCA OF HIGH POINT NC, INC.
Notes to Financial Statements
December 31, 2024 and 2023

NOTE A. OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value Measurements

The Organization values investments using fair value. The framework for measuring fair value provides a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

YWCA OF HIGH POINT NC, INC.
Notes to Financial Statements
December 31, 2024 and 2023

NOTE A. OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concluded)

Leases

The Organization adopted ASC 842, *Leases*, effective December 31, 2022. This standard requires lessees to recognize leases on the statement of financial position as right-of-use (ROU) assets and lease liabilities based on the value of the discounted future lease payments. In adopting ASC 842, the Organization elected to use practical expedients, included but not limited to, not reassessing past lease accounting.

The Organization determines if an arrangement is a lease at inception. All leases are recorded in the statements of financial position except for leases with an initial term of less than twelve months.

Operating lease right-of-use (ROU) assets and lease liabilities are recognized at the lease commencement date based on the present value of the lease payments over the lease term discounted at the Organization's incremental borrowing rate. ROU assets also include any adjustments related to lease payments made and lease incentives received at or before the commencement date. The ROU assets resulting from operating leases are included in Other Assets and the related liabilities are included in Accrued Expenses in the statements of financial position. Upon adoption, the Organization recognized operating ROU assets and lease liabilities of \$11,204.

The Organization does not have capital leases or leases for which it is the lessor resulting in no impact from the adoption of ASC 842.

Operating lease cost is recognized as the actual cost of the lease, or cash cost, in the accounting period it is incurred, as rent expense within the Statement of Functional Expenses. Lease and non-lease components of lease agreements are accounted for separately. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option.

NOTE B. CASH, CASH EQUIVALENTS, AND RESTRICTED CASH

Cash, cash equivalents, and restricted cash as of December 31, 2024 and 2023 consist of the following:

	2024	2023
Cash and cash equivalents	\$ 501,023	\$ 523,303
Restricted cash	174,225	117,568
Cash, Cash Equivalents, and Restricted Cash Shown in the Statement of Cash Flows	\$ 675,248	\$ 640,871

Restricted cash includes cash received with donor-imposed restrictions that limits the use of that cash for building improvements as part of the Capital Campaign.

YWCA OF HIGH POINT NC, INC.
Notes to Financial Statements
December 31, 2024 and 2023

NOTE C. PROMISES TO GIVE

Promises to give at December 31, 2024 and 2023 are as follows:

	<u>2024</u>	<u>2023</u>
United Way Services	\$ 132,036	\$ 110,487
Adolescent Parenting Program	8,783	44,942
Community Development Block Grant	-	6,144
North Carolina Department of Health and Human Services	32,163	71,376
Guilford County	19,679	20,657
Other	<u>2,857</u>	<u>15,000</u>
	<u>195,518</u>	<u>268,606</u>
Capital Campaign	167,933	212,994
Less: Unamortized discount	<u>515</u>	<u>2,544</u>
Net Capital Campaign	<u>167,418</u>	<u>210,450</u>
Total Promises to Give	<u>\$ 362,936</u>	<u>\$ 479,056</u>

The discount associated with the Capital Campaign pledges is calculated using a variable rate based on the present value of the scheduled payments.

Promises to give which are not related to the Capital Campaign are expected to be received in 2025. Promises to give related to the Capital Campaign are expected to be collected between 2025 and 2026.

NOTE D. INVESTMENTS

Endowment investments are comprised of mutual funds and are carried at Level 1 fair value. 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. The mutual funds and stock are summarized as follows:

	<u>2024</u>	<u>2023</u>
Cost	\$ 122,537	\$ 119,166
Market value	<u>127,488</u>	<u>119,950</u>
Unrealized gain	<u>\$ 4,951</u>	<u>\$ 784</u>

Details of investments are as follows:

Mutual funds and certificate of deposits	\$ 127,488	\$ 119,950
Donated stock	<u>-</u>	<u>-</u>
	<u>\$ 127,488</u>	<u>\$ 119,950</u>

YWCA OF HIGH POINT NC, INC.
Notes to Financial Statements
December 31, 2024 and 2023

NOTE E. 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 \$3,500,000 subject to fundraising levels (see Note F). The Campaign project is carried out in phases. Phase 1 totaled approximately \$1,500,000 and was completed in November 2015. Phase 2 totaled approximately \$1,100,000 and was completed in September 2017. The Organization started fundraising for Phase 3 in 2018 and it was completed in December 2023. Cash and promises to give related to The Campaign are restricted to the payment of the cost of the renovations and construction.

NOTE F. NOTES PAYABLE

Notes payable consist of the following:

	2024	2023
Construction note payable to a bank for a loan commitment up to \$3,500,000 with a five year term and a fixed interest rate of 3.5%; with payments interest only during life of the loan; secured by the assignment of all related construction contracts and real property. The loan has maximum principal balances of \$2,500,000 in 2025, \$2,000,000 in 2026, and \$1,500,000 in 2027.	\$ 1,791,059	\$ 1,842,944
Less loan cost (net of amortization)	5,099	7,453
Less Current Maturities	1,785,960	1,835,491
Total Long-term Debt	\$ 1,785,960	\$ 1,835,491

Interest expense was \$64,587 and \$57,044 in 2024 and 2023, respectively. Interest expense includes loan cost amortization of \$2,354 in 2024 and 2023.

The building loan requires a minimum debt service coverage ratio of not less than 1.0 to 1.0 measured annually, commencing with 2022. As of December 31, 2024 and 2023, the Organization was in compliance with the covenant.

YWCA OF HIGH POINT NC, INC.
Notes to Financial Statements
December 31, 2024 and 2023

NOTE G. LEASES

As a lessee, the Organization leases office space to conduct normal business under an operating lease that expires in June 2025. Lease payments will total \$5,092 in 2025. The organization also leases a copier with lease payments of \$230 monthly that expires in December 2025. As provided in FASB ASC 842, these future lease payments are discounted to present value using the Organization's incremental borrowing rate of 5%.

Components of the lease liability discounted to present value are as follows:

Office space lease	\$ 4,944
Copier lease	<u>4,055</u>
TOTAL LEASE LIABILITY	<u>\$ 8,999</u>

NOTE H. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes:

	<u>2024</u>	<u>2023</u>
United Way allocation	\$ 132,036	\$ 110,487
Capital Campaign pledges and cash	<u>341,643</u>	<u>328,018</u>
TOTALS	<u>\$ 473,679</u>	<u>\$ 438,505</u>

NOTE I. EMPLOYEE BENEFIT PLAN

Employees who meet eligibility requirements participate in the National YWCA Retirement Plan. The Organization's contributions were \$29,982 and \$17,518 for 2024 and 2023, respectively.

NOTE J. RELATED PARTY TRANSACTIONS

The Organization pays dues to the YWCA USA. Dues paid for 2024 and 2023 were \$9,494 and \$7,424, respectively. The YWCA USA also made contributions to the Organization in 2024 for \$3,000 and in 2023 for \$1,000.

YWCA OF HIGH POINT NC, INC.
Notes to Financial Statements
December 31, 2024 and 2023

NOTE K. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organization's financial assets as of the balance sheet date, reduced by amounts not available for general use within one year of the balance sheet date because of contractual or donor-imposed restrictions. Amounts not available include funds designated by regulatory agencies.

Cash and cash equivalents	\$	501,022
Cash restricted for capital campaign		174,225
Receivables		21,289
Promises to give		<u>192,661</u>
Total Financial Assets		889,197
Less those unavailable for general expenditure within one year due to:		
Donor restricted for the capital campaign		<u>(174,225)</u>
Financial Assets Available for General Expenditure Within One Year		<u>\$ 714,972</u>

NOTE L. CONCENTRATIONS

A significant portion of the Organization's support consists of government grants. Thus, its funding is vulnerable to changes in the legislative priorities of federal, state, and local governments. Grants and contracts from governmental agencies accounted for 37% and 47% of total income as of December 31, 2024 and 2023, respectively.

NOTE M. SUBSEQUENT EVENTS

The Organization has evaluated events and transactions for potential recognition or disclosure through September 17, 2025, which is the date the financial statements were available to be issued.



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Young Women's Christian Association of High Point, NC, Inc. (a nonprofit organization), which are comprised of the statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Young Women's Christian Association of High Point, NC, Inc.'s internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of its internal control. Accordingly, we do not express an opinion on the effectiveness of Young Women's Christian Association of High Point, NC, Inc.'s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Organization's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Young Women’s Christian Association of High Point, NC, Inc.’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Certified Public Accountant

Greensboro, NC
September 17, 2025