

**YWCA OF ASHEVILLE AND
WESTERN NORTH CAROLINA, INC.**

INDEPENDENT AUDITOR'S REPORT
AND FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022



CERTIFIED PUBLIC ACCOUNTANTS

**YWCA of Asheville and
Western North Carolina, Inc.**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
YWCA of Asheville and Western North Carolina, Inc.
Asheville, NC

Opinion

We have audited the accompanying financial statements of YWCA of Asheville and Western North Carolina, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related disclosures to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of YWCA of Asheville and Western North Carolina, Inc. as of June 30, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 YWCA of Asheville and Western North Carolina, 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 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 YWCA of Asheville and Western North Carolina, 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, including omissions, 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 YWCA of Asheville and Western North Carolina, 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 YWCA of Asheville and Western North Carolina, 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.

Report on Summarized Comparative Information

We have previously audited YWCA of Asheville and Western North Carolina, Inc's 2021 financial statements, and our report dated January 10, 2022, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Carliss & Solomon, PLLC

Asheville, North Carolina
November 29, 2022

YWCA of Asheville and Western North Carolina, Inc.

Statement of Financial Position

As of June 30, 2022

(With summarized comparative totals as of June 30, 2021)

	2022	2021
<u>Assets</u>		
<u>Current Assets</u>		
Cash and Cash Equivalents	\$ 559,191	\$ 1,109,681
Accounts Receivable	57,336	58,614
Grants Receivable - Short Term	626,464	225,255
Promises to Give - Short Term	134,186	88,872
Prepaid Expenses and Other Assets	51,580	58,157
Total Current Assets	1,428,757	1,540,579
<u>Long-Term Assets</u>		
Grants Receivable - Long Term	-	150,000
Promises to Give, Net - Long Term	268,332	192,898
Endowments	1,256,186	1,344,648
Property and Equipment, Net	2,823,376	2,784,796
Total Long-Term Assets	4,347,894	4,472,342
Total Assets	\$ 5,776,651	\$ 6,012,921
<u>Liabilities and Net Assets</u>		
<u>Current Liabilities</u>		
Accounts Payable	\$ 65,190	\$ 120,606
Accrued Wages and Payroll Liabilities	54,792	41,977
Accrued Vacation	156,417	121,491
Deferred Income	93,594	96,581
Note Payable (PPP Loan)	-	482,765
Note Payable (EIDL Loan) - Current Portion	3,615	3,621
Capital Lease Obligation - Current Portion	7,648	7,243
Total Current Liabilities	381,256	874,284
<u>Long-Term Liabilities</u>		
Note Payable (EIDL Loan) - Long-Term Portion	146,285	146,279
Capital Lease Obligations - Long-Term Portion	2,581	10,229
Total Long-Term Liabilities	148,866	156,508
Total Liabilities	530,122	1,030,792
<u>Net Assets</u>		
Without Donor Restrictions	4,338,110	3,996,065
With Donor Restrictions	908,419	986,064
Total Net Assets	5,246,529	4,982,129
Total Liabilities and Net Assets	\$ 5,776,651	\$ 6,012,921

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

YWCA of Asheville and Western North Carolina, Inc.

Statement of Activities

Year Ended June 30, 2022

(With summarized comparative totals for the prior year)

	Without Donor Restrictions	With Donor Restrictions	Total 2022	Total 2021
<u>Support and Revenue</u>				
Program Revenue	\$ 2,040,403	\$ -	\$ 2,040,403	\$ 1,589,664
Grants	1,146,402	1,074,565	2,220,967	1,749,278
Contributions	532,961	32,312	565,273	479,333
Endowment Income, Net	(104,191)	(84,271)	(188,462)	247,102
Interest Income	327	-	327	4,174
Other Income	29,569	-	29,569	6,132
Net Assets Released from Restrictions	1,100,251	(1,100,251)	-	-
Total Support and Revenue	<u>4,745,722</u>	<u>(77,645)</u>	<u>4,668,077</u>	<u>4,075,683</u>
<u>Expenses</u>				
Program Services				
Empowering Women	562,097	-	562,097	482,676
Promoting Health	862,189	-	862,189	581,052
Nurturing Children	1,831,221	-	1,831,221	1,727,596
Advancing Racial Justice	452,136	-	452,136	408,612
Total Program Services	<u>3,707,643</u>	<u>-</u>	<u>3,707,643</u>	<u>3,199,936</u>
Management and General	464,841	-	464,841	270,634
Fundraising	231,193	-	231,193	292,030
Total Expenses	<u>4,403,677</u>	<u>-</u>	<u>4,403,677</u>	<u>3,762,600</u>
Change in Net Assets During Year	342,045	(77,645)	264,400	313,083
Net Assets, Beginning of Year	<u>3,996,065</u>	<u>986,064</u>	<u>4,982,129</u>	<u>4,669,046</u>
Net Assets, End of Year	<u>\$ 4,338,110</u>	<u>\$ 908,419</u>	<u>\$ 5,246,529</u>	<u>\$ 4,982,129</u>

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

YWCA of Asheville and Western North Carolina, Inc.
Statement of Functional Expenses

Year Ended June 30, 2022

(With summarized, comparative totals for the prior year)

	Program Services					Management and General	Fundraising	Total 2022	Total 2021
	Empowering Women	Promoting Health	Nurturing Children	Advancing Racial Justice	Total Program				
Personnel									
Salaries and Wages	\$ 393,799	\$ 522,282	\$ 1,130,528	\$ 93,728	\$ 2,140,337	\$ 160,358	\$ 115,156	\$ 2,415,851	\$ 2,021,374
Payroll Taxes	23,426	29,753	70,110	16,246	139,535	9,966	7,341	156,842	147,634
Retirement	9,812	5,349	27,179	4,917	47,257	8,608	3,632	59,497	50,128
Employee Benefits	29,989	18,863	111,995	19,955	180,802	57,570	21,555	259,927	247,998
Subtotal Personnel	<u>457,026</u>	<u>576,247</u>	<u>1,339,812</u>	<u>134,846</u>	<u>2,507,931</u>	<u>236,502</u>	<u>147,684</u>	<u>2,892,117</u>	<u>2,467,134</u>
Bank Charges	-	-	-	-	-	30,302	1,409	31,711	25,437
Bad Debt Expense	-	-	-	-	-	3,186	-	3,186	78,645
Contract Labor	13,954	16,793	73,229	36,838	140,814	117,552	8,524	266,890	197,452
Equipment and Repairs	-	7,941	2,833	-	10,774	-	-	10,774	1,044
Event Expense	-	-	-	2,698	2,698	-	22,217	24,915	12,967
Food and Supplies	3,325	-	113,741	-	117,066	15,896	-	132,962	90,181
Insurance	6,324	19,399	21,303	2,091	49,117	2,796	1,553	53,466	56,532
Miscellaneous Expense	-	2,299	-	-	2,299	824	1,584	4,707	10,170
Occupancy Expenses	25,676	98,735	117,794	1,324	243,529	15,618	5,558	264,705	380,513
Office Supplies	8,094	31,124	37,132	417	76,767	4,923	1,752	83,442	24,479
Program Expenses	22,254	17,775	44,283	608	84,920	-	-	84,920	119,940
Partner Grants	-	855	-	-	855	1,600	-	2,455	1,054
Printing and Postage	1,729	1,742	6,976	393	10,840	5,361	8,239	24,440	22,702
Professional Fees	2,988	3,408	7,621	1,094	15,111	2,400	1,506	19,017	27,642
Promotion and Marketing	-	-	-	-	-	9,621	24,870	34,491	9,130
Staff Development	2,765	808	4,080	850	8,503	7,118	1,030	16,651	57,855
Telephone	3,668	3,858	3,655	492	11,673	4,267	1,946	17,886	15,179
Travel	2,647	-	228	-	2,875	532	-	3,407	5,624
Subtotal Expenses	<u>550,450</u>	<u>780,984</u>	<u>1,772,687</u>	<u>181,651</u>	<u>3,285,772</u>	<u>458,498</u>	<u>227,872</u>	<u>3,972,142</u>	<u>3,603,680</u>
Depreciation	11,647	81,205	58,534	2,529	153,915	6,343	3,321	163,579	158,920
Grant Disbursement	-	-	-	267,956	267,956	-	-	267,956	-
Total Expenses	\$ 562,097	\$ 862,189	\$ 1,831,221	\$ 452,136	\$ 3,707,643	\$ 464,841	\$ 231,193	\$ 4,403,677	\$ 3,762,600

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

YWCA of Asheville and Western North Carolina, Inc.

Statement of Cash Flows

Year Ended June 30, 2022

(With summarized comparative totals for the prior year)

	<u>2022</u>	<u>2021</u>
<u>Cash Flows from Operating Activities</u>		
Change in Net Assets	\$ 264,400	\$ 313,083
Adjustments to reconcile change in net assets to net cash provided or used by operating activities:		
Depreciation	163,579	158,920
Forgiveness of PPP Loan	(482,765)	(422,347)
Endowment Income, Net	188,462	(247,102)
(Increase)/Decrease in Operating Assets		
Accounts Receivable, Net	1,278	9,797
Grants Receivable	(251,209)	20,635
Promises to Give, Net	(120,748)	27,679
Prepaid Expenses and Other Assets	6,577	(1,995)
Increase/(Decrease) in Operating Liabilities		
Accounts Payable	(55,416)	77,652
Accrued Wages and Payroll Taxes	12,815	(29,313)
Accrued Vacation	34,926	27,381
Deferred Income	(2,987)	53,762
Net Cash Used by Operating Activities	<u>(241,088)</u>	<u>(11,848)</u>
<u>Cash Flows from Investing Activities</u>		
Transfers to Endowment Funds	(100,000)	(100,000)
Property and Equipment Purchases	(202,159)	(48,591)
Net Cash Used by Investing Activities	<u>(302,159)</u>	<u>(148,591)</u>
<u>Cash Flows from Financing Activities</u>		
Capital Lease Payments	(7,243)	(11,099)
Proceeds from Note Payable	-	482,765
Net Cash Provided/(Used) by Financing Activities	<u>(7,243)</u>	<u>471,666</u>
Net Change in Cash and Cash Equivalent	(550,490)	311,227
Cash and Cash Equivalents, Beginning of Year	<u>1,109,681</u>	<u>798,454</u>
Cash and Cash Equivalents, End of Year	<u>\$ 559,191</u>	<u>\$ 1,109,681</u>

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

YWCA of Asheville and Western North Carolina, Inc.

Disclosures to the Financial Statements

For the Year Ended June 30, 2022

1. Description of the Organization, Corporate and Tax-Exempt Status

YWCA of Asheville and Western North Carolina, Inc. (YWCA) is a non-profit charitable organization. Its mission is eliminating racism, empowering women, and promoting peace, justice, freedom, and dignity for all. Through advocacy and programs, the YWCA of Asheville works to create gender and racial equity by engaging more than 3,000 community members annually to dismantle racism, support economic empowerment, and nurture families. The YWCA's programs are designed to address disparities created by institutional racism and sexism.

The YWCA's program areas are as follows:

Nurturing Children

Early Learning Program: A 5-Star licensed program providing safe, stimulating, and affordable care for children from 6 weeks to 5 years old.

Empowering Women

Empowerment Child Care: Provides free, high-quality child-care for women seeking jobs, education, and essential social services to improve their family's economic security.

Getting Ahead in a Just-Gettin'-By World: Empowers women in poverty to build their resources for a more prosperous life for themselves, their families, and their communities.

MotherLove: Provides mentoring and support for teens who are pregnant or parenting, helping them build skills as strong parents and successful students.

Promoting Health

YWCA Fitness: Offers strength training, cardio equipment, indoor cycling, a variety of fitness classes, small group, and personal fitness training.

Aquatics: Offers swimming lessons, lap and family swims, and lifeguard training in an indoor, solar-heated pool. Additionally, the YWCA offers free swimming lessons to Early Learning Program children and a Swim Equity scholarship for community members.

Advancing Racial Justice

Racial Justice Workshops: YWCA's Racial Justice Workshop is offered to anyone in our community looking to grow their understanding of racism and racial justice.

Stand Against Racism: Stand Against Racism is a nationwide YWCA campaign to build community among those who work for social justice and to raise awareness about the negative impact of institutional and structural racism in our communities.

Advocacy: Working to create positive social change on a broad scale through local, state, and national policy initiatives.

YWCA was established in 1907 as a nonprofit corporation under the laws of the State of North Carolina. It qualifies for exemption from federal income taxes under Section 501(c)(3) of the Internal Revenue code. The Organization has also elected to have 501(h) status, which establishes clear guidelines for lobbying expenditures by defining what percentage of an organization's budget may be spent on lobbying without incurring excise taxes. The YWCA is funded primarily by program revenue and grants.

2. ***Summary of Significant Accounting Policies***

Basis of Accounting

The financial statements have been prepared on an accrual basis of accounting and conform to accounting principles generally accepted in the United States of America (U.S. GAAP), as applicable to not-for-profit organizations

Financial Statement Presentation

The classification of the organization's net assets, and its support, revenue and expenses is based on the existence or absence of donor-imposed restrictions. It requires that the amounts for each of two classes of net assets – without donor restrictions and with donor restrictions – be displayed in a statement of financial position and that the amounts of change in each of those classes of net assets be displayed in a statement of activities.

The classes of net assets are defined as follows:

Net Assets Without Donor Restrictions – Includes net assets that are not subject to donor-imposed restrictions and that may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the organization's management and board of directors.

Net Assets With Donor Restrictions - Includes net assets that are subject to restrictions imposed by donors or grantors. Some donor and grantor restrictions are temporary in nature, such as those with a specified purpose or a timeframe for expenditure established by the donor or grantor. Other donor-imposed restrictions are perpetual in nature, where the donor has stipulated the funds be maintained in perpetuity.

Cash and Cash Equivalents

The organization's cash consists of cash on deposit with banks. Cash equivalents represent money market funds or short-term investments with original maturities of three months or less from the date of purchase.

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 and cash equivalents in various bank accounts that, at times, may exceed FDIC federally insured limits. The organization's cash and cash equivalent accounts have been placed with high credit quality financial institutions. The organization has not experienced, nor does it anticipate, any losses with respect to such accounts.

Investments

The organization records investment purchases at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statement of financial position. Net investment return/(loss) is reported in the statement of activities and consists of interest and dividend income and realized and unrealized capital gains and losses, net of investment expenses.

Endowments

Consistent with the Uniform Prudent Management of Institutional Funds Act (UPMIFA), enacted in North Carolina in 2009, the organization's policy continues to require the preservation of the original value of gifts donated to perpetual endowments. Consistent with current U.S. GAAP, the portion of a donor-restricted endowment that is classified as restricted is not reduced by losses on the investments of the fund, and accumulated investment income is restricted until appropriated for use.

The organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the organization, and (7) the organization's investment policies.

Board Designated Endowment

YWCA maintain a board designated endowment to support its mission. The fund is held and managed by a community foundation in accord with investment guidelines established by the organization and investing policies established by the community foundation. The asset is reported at fair value in accordance with U.S. GAAP. The Board of Directors determines an annual set draw to be taken quarterly. The organization also appropriates for expenditure varying amounts each year based on the needs of its operating budget.

Accounts Receivable

Accounts receivable represent uncollected amounts for program services carried out on a fee-for-service basis. An allowance for doubtful accounts is established for amounts deemed uncollectible, if needed.

Contributions and Grants Receivable

Contributions and grants receivable, without conditions, and expected to be collected within one year are recorded at net realizable value; those expected to be collected in more than one year are recorded at the present value of their future cash flows, using a risk adjusted interest rate. Any provision for uncollectible receivables is estimated by management based on historical collection experience.

Property and Equipment

Property and equipment purchases are recorded at cost. Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed using the straight-line method. The organization has adopted a capitalization threshold of \$2,500 per item. Expenses for repairs and maintenance that do not improve or extend the life of an asset are expensed as incurred.

Program Service Revenue

Program service revenue is recognized when earned by providing services or goods. Payments received in advance of being earned are deferred to the applicable period in which the related services are performed, or goods are provided. In accordance with U.S. GAAP, the organization follows principles for recognizing revenue from contracts with customers (*ASU* 2014-09, *Revenue from Contracts with Customers* (Topic 606)). The guidance requires an entity to recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. The organization adopted the new standard in 2020, using the modified retrospective approach, with no effect on revenue recognized. The Organization's major sources of revenue are the Early Learning Program and the Fitness and Aquatics Program. Revenue is recognized during the year as performance obligations are met, with revenue received in advance of being earned recorded as deferred revenue.

Contributions and Grants

Contributions and grants are recognized in support: (1) when the organization receives cash, securities or other assets from a donor or grantor, (2) when a donor conveys a promise to make a donation in the future, on an unconditional basis, and (3) when a grantor awards a grant to be paid in the future, on an unconditional basis. Contributions and grants with conditions, such as performance requirements, are not recognized until the conditions on which they depend have been substantially met.

In-Kind Contributions

The organization recognizes contributed goods and the use of facilities at estimated fair value on the date of receipt. 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. When recognized, contributed services are reported at fair value.

Fair Value Measurements

Fair value is the price that would be received to sell an asset or the price that would be paid to transfer a liability in an orderly transaction between market participants at the measurement date. Certain valuation techniques are used to measure fair value. There are three broad levels as follows:

Level 1 – (the highest level) inputs are based on quoted prices in active markets for identical assets or liabilities that the organization has the ability to access at the measurement date. For example, securities traded in an active market are valued using Level 1 inputs.

Level 2 – inputs are observable inputs other than quoted prices, either directly or indirectly through corroboration with observable market data. If the asset or liability has a specified term, the Level 2 input must be observable for substantially the full term.

Level 3 – inputs are unobservable inputs for the asset or liability, meaning the inputs reflect the Organization's own assumptions about the assumptions market participants would use in pricing the asset or liability, including inputs related to risk, which have been developed based on the best information available in the circumstances.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP 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 period. Actual results could differ from those estimates.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Certain categories of expenses that are attributable to more than one program or supporting function require management's allocation on a reasonable basis that is consistently applied. The primary allocation basis used by management for personnel expenses and applicable overhead expenses is estimated based on employee time and effort.

Income Taxes/Uncertain Tax Positions

YWCA is exempt from federal income taxes under 501(c)(3) of the Internal Revenue Code. Under the Code, however, income from certain activities not related to the organization's tax-exempt purpose may be subject to taxation as unrelated business income. The organization had no income from unrelated business activities in 2022 and was, therefore, not required to file Federal Form 990-T (Exempt Organization Business Income Tax Return). The organization believes that it has appropriate support for all tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

Summarized Comparative Data

The financial statements include certain prior year summarized comparative information. Such information does not include sufficient detail to constitute a presentation in conformity with US GAAP. Accordingly, such information should be read in conjunction with the organization's audited financial statements for the year ended June 30, 2021, from which the summarized information was derived. Certain amounts in the prior-year financial statements have been reclassified to conform to the current year presentation.

3. Liquidity and Availability

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, are comprised of the following:

<u>As of June 30:</u>	<u>2022</u>	<u>2021</u>
Financial Assets at year end:		
Cash and Cash Equivalents	\$ 559,191	\$ 1,109,681
Accounts Receivable	57,336	58,614
Grants Receivable- Short Term	626,464	225,255
Promises to Give, Net- Short Term	134,186	88,872
Endowments	1,256,186	1,344,648
Total Financial Assets Available	<u>2,633,363</u>	<u>2,827,070</u>
Less amounts not available to be used in one year:		
Board Designated Assets - Endowment	697,893	702,084
Restricted Endowments	558,293	642,564
Total not available to be used in one year	<u>1,256,186</u>	<u>1,344,648</u>
Financial assets available to meet general expenditures over the following year	<u>\$ 1,377,177</u>	<u>\$ 1,482,422</u>

4. Cash and Cash Equivalents

Cash and cash equivalent amounts are shown in the list below.

<u>As of June 30:</u>	<u>2022</u>	<u>2021</u>
Checking Accounts	\$ 308,754	\$ 859,440
Money Market Account	250,437	250,241
Total Cash and Cash Equivalents	<u>\$ 559,191</u>	<u>\$ 1,109,681</u>

5. Promises to Give

The net value of long and short-term promises to give was \$402,518 and \$281,770 as of June 30, 2022, and June 30, 2021, respectively. Promises are presented net of the allowance for doubtful promises and are discounted to present value of future cash flows. The expected collections by year are as follows (see next page):

Year Ending June 30:

2023	\$ 134,186
2024	112,979
2025	95,880
2026	75,347
2027	31,775
Thereafter	4,000
Total Promises to Give	<u>454,167</u>
Less Allowance for Doubtful Pledges	<u>(22,779)</u>
Promises to Give, Net of Allowance	431,388
Less Present Value Discount	<u>(28,870)</u>
Promises to Give, Net of Allowance and Present Value Discount	<u>\$ 402,518</u>

6. Grants Receivable

Grants receivable consists of grant awards and grant reimbursements for YWCA programs. Management has evaluated the balances and considers them to be fully collectible and expected to be received in the following year.

<u>Year Ending June 30:</u>	<u>2022</u>	<u>2021</u>
Employment Retention Credit	\$ 531,453	\$ -
Foundation Grants	95,011	375,255
Total	<u>\$ 626,464</u>	<u>\$ 375,255</u>

7. Property and Equipment

Property and equipment consist of the following:

<u>As of June 30:</u>	<u>2022</u>	<u>2021</u>
Land	\$ 83,000	\$ 83,000
Buildings and Improvements	5,215,485	5,013,327
Furniture and Equipment	426,705	426,705
Vehicles	162,095	162,095
Less: Accumulated Depreciation	<u>(3,063,909)</u>	<u>(2,900,331)</u>
Total Property and Equipment, Net	<u>\$ 2,823,376</u>	<u>\$ 2,784,796</u>

Depreciation expense is \$163,579 and \$158,920 for the years ended June 30, 2022, and 2021, respectively.

8. Endowment Funds

YWCA maintains three perpetual endowment funds at the Community Foundation of Western North Carolina (CFWNC). The funds are donor-restricted to provide investment income to supplement the YWCA operating income for the purposes described below.

YWCA Endowment Fund (YWCA Holly Home Fund) – This fund was created with donor funds to help support the employee home buyer assistance program to provide matching grants to YWCA employees who meet the required criteria and desire to own their own home. In 2019 the Board voted to expand the use of this program to include rental deposits and rental assistance. As of yearend, \$40,617 is held as perpetually restricted for the program.

Janirve Endowment for the YWCA of Asheville (YWJE Fund) – The corpus of the fund is \$300,746 and is restricted in perpetuity. Investment income and gains are available for operations with the approval of the finance committee.

The YWCA also maintains four board designated funds at the Community Foundation of Western North Carolina. The funds are held without donor restrictions and described below. In accordance with the agreements with the Community Foundation, YWCA can withdraw from the funds at its discretion. There is a stipulation that a \$25,000 minimum balance be maintained. The funds are invested according to the YWCA guidelines in pools approved by the Community Foundation investment committee using asset allocation techniques to produce a diversified portfolio that will grow, but not expose the fund to unacceptable levels of risk.

YWCA of Asheville Janirve Reserve Fund (YWJR Fund) – This fund balance of \$331,284 is held without donor restrictions and intended to support extraordinary opportunities or needs of the organization.

YWCA of Asheville Reserve Fund (YWRP Fund) – This fund balance of \$192,915 is held without donor restrictions and intended to support purposes determined by the board.

YWCA of Asheville Operating Funds – In June 2021, YWCA established two board designated operating funds. The fund balances are held without donor restrictions and are intended to support purposes determined by the board.

Activity in the funds during the audit year is as follows:

	Restricted YWCA Holy Home Fund	Restricted YWJE Janirve Endowment Fund	Designated Operating Funds
Balance as of June 30, 2021	\$ 98,559	\$ 544,006	\$ 100,000
Current Year Activity:			
Contributions/Transfers	-	-	100,000
Investment Income	1,663	9,485	2,306
Investment Gains/(Losses)	(13,505)	(77,291)	(27,255)
Administration Fees	(675)	(3,949)	(1,357)
Distributions to YWCA	-	-	-
Balance as of June 30, 2022	<u>\$ 86,042</u>	<u>\$ 472,251</u>	<u>\$ 173,694</u>

	Designated YWJR Janirve Reserve Fund	Designated YWRP Reserve Fund	Total
Balance as of June 30, 2021	\$ 380,836	\$ 221,247	\$ 1,344,647
Current Year Activity:			
Contributions/Transfers	-	-	100,000
Investment Income	6,539	3,765	23,758
Investment Gains	(53,487)	(30,582)	(202,120)
Administration Fees	(2,604)	(1,514)	(10,099)
Distributions to YWCA	-	-	-
Balance as of June 30, 2022	<u>\$ 331,284</u>	<u>\$ 192,915</u>	<u>\$ 1,256,186</u>

9. External Funds Benefiting YWCA

YWCA is the income beneficiary of the Connie De Land Fund for Racial Justice (YWCD Fund) held, and owned by, the Community Foundation of WNC. The Fund is not an asset of YWCA and is, therefore, not reflected on the accompanying statement of financial position of the organization. The Fund was established in 2019 by Gerald De Land at the CFWNC to benefit YWCA's racial justice and eliminating racism program. YWCA received \$4,720 and \$2,000 from the fund in the years ended June 30, 2022 and 2021, respectively.

10. Notes Payable

Notes payable consist of the following as of June 30, 2022:

On June 16, 2020, a loan was obtained from the SBA through the EIDL program in light of the impact of the COVID-19 pandemic on the organization. The principal amount of the EIDL loan is \$150,000. The loan has an interest rate of 2.75% per annum, and installment payments, including principal and interest, are due monthly beginning twelve (12) months from the date of the note in the amount of \$641.

The balance of principal and accrued interest is due thirty (30) years from the date of the note.

The SBA has a security interest in the organization's assets.

Balance as of June 30, 2022	\$ 149,900
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Summary of Notes Payable:

Total Notes Payable	149,900
Less: Current Maturities	(3,615)
Notes Payable, Net of Current Maturities	<u>\$ 146,285</u>

The following is a summary of maturities for the years ending June 30:

2023	\$ 3,615
2024	3,716
2025	3,819
2026	3,926
2027	4,035
Thereafter	130,789
Total Notes Payable	<u>\$ 149,900</u>

11. PPP Grant Recognized

On March 25, 2021, a loan in the amount of \$482,765 was obtained through the Paycheck Protection Program. The loan has an interest rate of 1% and is due within five years from the date of origination. This loan is forgivable when certain criteria are met. On March 14, 2022, YWCA received confirmation from the Small Business Administration that the first PPP loan received in the previous year of \$482,765 had been forgiven in full and was recognized as grant revenue on the statement of activities.

12. Capital Lease Obligations

YWCA maintains a capital lease for gym equipment that runs through 2024. Capital lease obligations as of June 30, 2022, total \$10,229. The equipment subject to capital lease has a cost basis of \$46,613 and accumulated depreciation of \$33,007 as of June 30, 2022. YWCA will retain the equipment at the completion of the leases. Future minimum lease obligations under the capital leases are as follows:

<u>Year Ending June 30:</u>	
2023	\$ 7,648
2024	2,581
Total Minimum Lease Obligations	<u>\$ 10,229</u>

13. Operating Lease Obligations

YWCA leases copiers and printers from Ricoh and laptops from Dell. Minimum lease obligations under the operating leases are as follows:

<u>Year Ending June 30:</u>	Dell	Ricoch
2023	\$ 3,725	\$ 6,768
2024	3,820	3,948
2025	2,706	-
2026	96	-
Total Minimum Lease Obligations	<u>\$ 10,346</u>	<u>\$ 10,716</u>

14. Net Assets Without Donor Restrictions

Net assets without donor restrictions totaled \$4,338,110 and \$3,996,065 as of June 30, 2022, and June 30, 2021, respectively. Net assets without donor restrictions include Board designated endowment funds totaling \$697,893 and \$702,084, respectively (see Disclosure 8).

15. Net Assets With Donor Restrictions

At year-end restricted net assets with donor restrictions were available for the following purposes:

<u>As of June 30:</u>	2022	2021
Early Learning Program	\$ -	\$ 19,750
Empowerment Child Care Program	320,126	-
Getting Ahead Program	20,000	-
Gender-Neutral Locker Room	10,000	-
MotherLove	-	23,750
Racial Justice	-	300,000
Employee Homebuyer Assistance	45,425	57,941
Reserve Funds	171,505	243,260
Restricted in Perpetuity	341,363	341,363
Total Net Assets with Donor Restrictions	<u>\$ 908,419</u>	<u>\$ 986,064</u>

16. Grant Disbursements

During the year, a grantor approved a modification of terms of the Collaborative Problem-Solving grant in support of Racial Justice Coalition. The grant amounts received during the year were disbursed and the remaining receivable amounts were redirected to the approved organization totaling \$267,956 during the year ended June 30, 2022.

17. Promotion and Marketing Costs

Promotion and marketing costs are expensed in the year incurred. Organizational promotion and marketing costs were \$9,621 and \$9,130 for the years ended June 30, 2022, and June 30, 2021, respectively.

18. Program Income

YWCA offers programming for health and wellness fitness and aquatic programs, early childhood development and various workshops to empower women. Program revenue consists of the following (see next page):

<u>As of June 30:</u>	<u>2022</u>	<u>2021</u>
Early Learning Program:		
Governmental Contract Revenue	\$ 821,642	\$ 566,452
Private Pay Childcare Fees	790,837	645,639
NC Pre-K Fees	133,550	135,355
Early Head Start Fees	-	9,333
Health and Wellness	242,870	187,545
Aquatics	50,504	27,389
Empowerment Childcare	1,000	17,951
Total Program Revenue	<u>\$ 2,040,403</u>	<u>\$ 1,589,664</u>

19. Retirement Plan

YWCA is a participant in a defined contribution plan retirement plan. Employees are eligible to participate after two years of service and YWCA contributed 7% of salaries to eligible employees for the year ended June 30, 2022. YWCA retirement cost was \$59,497 and \$50,128 for the years ended June 30, 2022, and June 30, 2021, respectively.

20. Fair Value Measurements

The organization held investments at one brokerage firm at fair value on a recurring basis during the year. Fair values of assets measured on a recurring basis at June 30, 2022 are as follows:

	<u>Fair Value</u>	<u>Reporting Date Using</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Endowments	\$ 1,256,186	\$ -	\$ -	\$ 1,256,186
Contributions Receivable	402,518	-	-	402,518
Total	<u>\$ 1,658,704</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,658,704</u>

The fair value of multi-year pledges receivable is subject to management's determination of the allowance for collectability. The fair values of Endowments, which are held at the Community Foundation, are provided by the Foundation and the applicable unobservable estimates are developed by the Foundation. Assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3):

	<u>Endowments</u>	<u>Promises To Give</u>
June 30, 2021	\$ 1,344,648	\$ 281,770
Transfers to Endowments	100,000	-
Change in Value, Net (Disclosure 8)	(188,462)	-
New Promises to Give	-	250,450
Collections	-	(119,745)
Allowance Adjustments	-	(9,957)
June 30, 2022	<u>\$ 1,256,186</u>	<u>\$ 402,518</u>

21. Concentrations in Operating Area

YWCA of Asheville and Western North Carolina, Inc.'s business activity is with members located within Western North Carolina.

22. Subsequent Events

Light A Path (non-profit) was officially taken over as a YWCA program on July 1, 2022. LAP will be dissolved as a separate entity in the subsequent year.

YWCA was awarded the Americorps grant that will enable funding up to 10 people to work in our ELP or ECC centers.

Subsequent events have been evaluated through November 29, 2022, which is the date the financial statements were available to be issued.