

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

INDEPENDENT AUDITOR'S REPORT  
AND FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021



CERTIFIED PUBLIC ACCOUNTANTS

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

Table of Contents  
Year Ended June 30, 2021

Independent Auditor's Report.....	1 - 2
Financial Statements:	
<i>Statement of Financial Position</i> .....	3
<i>Statement of Activities</i> .....	4
<i>Statement of Functional Expenses</i> .....	5
<i>Statement of Cash Flows</i> .....	6
Financial Statement Disclosures .....	7 - 17



## **INDEPENDENT AUDITOR'S REPORT**

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

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, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related disclosures to the financial statements.

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

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

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

**Opinion**

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, 2021, 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.

**Report on Summarized Comparative Information**

We have previously audited YWCA of Asheville and Western North Carolina, Inc.'s 2020 financial statements, and our report dated April 28, 2021, 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, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Carliss & Selaman, PLLC*

Asheville, North Carolina  
January 10, 2022

# YWCA of Asheville and Western North Carolina, Inc.

## Statement of Financial Position

As of June 30, 2021

(With summarized comparative totals as of June 30, 2020)

	<b>2021</b>	<b>2020</b>
<b><u>Assets</u></b>		
<u>Current Assets</u>		
Cash and Cash Equivalents	\$ 1,109,681	\$ 798,454
Accounts Receivable	58,614	68,411
Grants Receivable - Short Term	225,255	395,890
Promises to Give - Short Term	88,872	103,401
Prepaid Expenses and Other Assets	58,157	56,162
Total Current Assets	1,540,579	1,422,318
<u>Long-Term Assets</u>		
Grants Receivable- Long Term	150,000	-
Promises to Give, Net- Long Term	192,898	206,048
Endowments	1,344,648	997,546
Property and Equipment, Net	2,784,796	2,895,125
Total Long-Term Assets	4,472,342	4,098,719
<b>Total Assets</b>	<b>\$ 6,012,921</b>	<b>\$ 5,521,037</b>
<b><u>Liabilities and Net Assets</u></b>		
<u>Current Liabilities</u>		
Accounts Payable	\$ 120,606	\$ 42,954
Accrued Wages and Payroll Liabilities	41,977	71,290
Accrued Vacation	121,491	94,110
Deferred Income	96,581	42,819
Note Payable (PPP Loan)	482,765	422,347
Note Payable (EIDL Loan)- Current Portion	3,621	297
Capital Lease Obligation- Current Portion	7,243	11,099
Total Current Liabilities	874,284	684,916
<u>Long-Term Liabilities</u>		
Note Payable (EIDL Loan) - Long-Term Portion	146,279	149,603
Capital Lease Obligations - Long-Term Portion	10,229	17,472
Total Long-Term Liabilities	156,508	167,075
Total Liabilities	1,030,792	851,991
<u>Net Assets</u>		
Without Donor Restrictions	3,996,065	3,855,771
With Donor Restrictions	986,064	813,275
Total Net Assets	4,982,129	4,669,046
<b>Total Liabilities and Net Assets</b>	<b>\$ 6,012,921</b>	<b>\$ 5,521,037</b>

*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, 2021

(With summarized comparative totals for the prior year)

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total 2021</b>	<b>Total 2020</b>
<b>Support and Revenue</b>				
Program Revenue	\$ 1,589,664	\$ -	\$ 1,589,664	\$ 1,807,861
Grants	1,375,778	373,500	1,749,278	736,429
Contributions	463,196	16,137	479,333	409,053
Endowment Income, Net	119,690	127,412	247,102	25,128
Interest Income	4,174	-	4,174	18,386
Other Income	6,132	-	6,132	5,039
Net Assets Released from Restrictio	344,260	(344,260)	-	-
<b>Total Support and Revenue</b>	<b>3,902,894</b>	<b>172,789</b>	<b>4,075,683</b>	<b>3,001,896</b>
<b>Expenses</b>				
Program Services				
Empowering Women	482,676	-	482,676	504,414
Promoting Health	581,052	-	581,052	704,366
Nurturing Families	1,727,596	-	1,727,596	1,592,400
Eliminating Racism	408,612	-	408,612	379,368
Total Program Services	3,199,936	-	3,199,936	3,180,548
Management and General	270,634	-	270,634	314,427
Fundraising	292,030	-	292,030	206,453
<b>Total Expenses</b>	<b>3,762,600</b>	<b>-</b>	<b>3,762,600</b>	<b>3,701,428</b>
Change in Net Assets During Year	140,294	172,789	313,083	(699,532)
Net Assets, Beginning of Year	3,855,771	813,275	4,669,046	5,368,578
<b>Net Assets, End of Year</b>	<b>\$ 3,996,065</b>	<b>\$ 986,064</b>	<b>\$ 4,982,129</b>	<b>\$ 4,669,046</b>

*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, 2021

(With summarized, comparative totals for the prior year)

	<b>Program Services</b>				<b>Total Program</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>Total 2021</b>	<b>Total 2020</b>
	<b>Empowering Women</b>	<b>Promoting Health</b>	<b>Nurturing Families</b>	<b>Eliminating Racism</b>					
<b>Personnel</b>									
Salaries and Wages	\$ 308,714	\$ 267,464	\$ 989,377	\$ 227,224	\$ 1,792,779	\$ 79,262	\$ 149,333	\$ 2,021,374	\$ 2,109,225
Payroll Taxes	22,184	20,031	73,367	16,836	132,418	4,604	10,612	147,634	149,307
Retirement	5,980	6,837	26,950	4,851	44,618	2,238	3,272	50,128	29,943
Employee Benefits	39,447	19,000	138,168	30,853	227,468	7,685	12,845	247,998	299,213
Subtotal Personnel	<u>376,325</u>	<u>313,332</u>	<u>1,227,862</u>	<u>279,764</u>	<u>2,197,283</u>	<u>93,789</u>	<u>176,062</u>	<u>2,467,134</u>	<u>2,587,688</u>
Bank Charges	-	-	-	-	-	21,619	3,818	25,437	29,186
Bad Debt Expense	-	-	-	-	-	78,645	-	78,645	-
Contract Employees	3,250	4,911	64,648	116,233	189,042	1,277	7,133	197,452	165,763
Depreciation	9,675	86,354	52,905	3,225	152,159	3,536	3,225	158,920	156,317
Equipment and Repairs	-	625	419	-	1,044	-	-	1,044	9,419
Event Expense	-	-	-	-	-	-	12,967	12,967	6,611
Food and Supplies	2,533	-	84,839	-	87,372	2,809	-	90,181	87,500
Insurance	3,855	17,054	16,965	1,126	39,000	2,422	1,194	42,616	34,754
Miscellaneous Expense	1,335	138	780	-	2,253	7,743	174	10,170	8,037
Occupancy Expenses	33,549	128,461	185,102	1,825	348,937	24,458	7,118	380,513	327,362
Office Supplies	-	-	890	100	990	19,785	3,704	24,479	18,355
Program Expenses	37,284	16,531	63,405	2,720	119,940	-	-	119,940	73,381
Partner Grants	1,054	-	-	-	1,054	-	-	1,054	38,721
Printing and Postage	1,471	2,327	4,712	435	8,945	4,811	8,946	22,702	23,003
Professional Fees	4,169	6,054	13,136	1,092	24,451	1,472	1,719	27,642	23,491
Promotion and Marketing	-	-	696	-	696	-	8,434	9,130	24,143
Staff Development	134	346	1,402	210	2,092	1,289	54,474	57,855	49,226
Telephone	3,657	3,141	3,125	387	10,310	2,904	1,965	15,179	16,438
Travel	2,353	-	93	-	2,446	3,140	38	5,624	4,635
Workers Compensation	2,032	1,778	6,617	1,495	11,922	935	1,059	13,916	17,398
<b>Total Expenses</b>	<b>\$ 482,676</b>	<b>\$ 581,052</b>	<b>\$ 1,727,596</b>	<b>\$ 408,612</b>	<b>\$ 3,199,936</b>	<b>\$ 270,634</b>	<b>\$ 292,030</b>	<b>\$ 3,762,600</b>	<b>\$ 3,701,428</b>

*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, 2021

(With summarized comparative totals for the prior year)

	<b>2021</b>	<b>2020</b>
<b><u>Cash Flows from Operating Activities</u></b>		
Change in Net Assets	\$ 313,083	\$ (699,532)
Adjustments to reconcile change in net assets to net cash provided or used by operating activities:		
Depreciation	158,920	156,317
Forgiveness of PPP Loan	(422,347)	-
Endowment Income, Net	(247,102)	(25,128)
(Increase)/Decrease in Operating Assets		
Accounts Receivable, Net	9,797	(260)
Grants Receivable	20,635	394,808
Promises to Give, Net	27,679	7,105
Prepaid Expenses and Other Assets	(1,995)	(21,078)
Increase/(Decrease) in Operating Liabilities		
Accounts Payable	77,652	(16,490)
Accrued Wages and Payroll Taxes	(29,313)	(4,707)
Accrued Vacation	27,381	37,918
Deferred Income	53,762	35,168
Net Cash Used by Operating Activities	(11,848)	(135,879)
<b><u>Cash Flows from Investing Activities</u></b>		
Transfers to Endowment Funds	(100,000)	(184,185)
Investment Sales/(Purchases), Net	-	268,130
Property and Equipment Purchases	(48,591)	(68,049)
Net Cash Provided/(Used) by Investing Activities	(148,591)	15,896
<b><u>Cash Flows from Financing Activities</u></b>		
Capital Lease Payments	(11,099)	(14,898)
Proceeds from Note Payable	482,765	572,247
Net Cash Provided by Financing Activities	471,666	557,349
Net Change in Cash and Cash Equivalent	311,227	437,366
Cash and Cash Equivalents, Beginning of Year	798,454	361,088
<b>Cash and Cash Equivalents, End of Year</b>	<b>\$ 1,109,681</b>	<b>\$ 798,454</b>

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



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

## **Financial Statement Disclosures**

For the Year Ended June 30, 2021

### **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 Families**

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

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

#### **Supporting Economic Empowerment**

*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.

#### **Promoting Health and Healing**

*Diabetes Wellness and Prevention:* Helping people with diabetes or at risk of developing diabetes learn about exercise and healthy eating as a lifestyle intervention.

*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.

#### **Eliminating Racism**

*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.

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

### *Basis of Presentation*

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, except for those amounts that are held in the investment portfolio which are invested for long-term purposes.

### *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.

#### Contributions and Grants

Contributions and grants received are recorded as without donor restrictions or with donor restrictions, depending on the existence and/or nature of any donor restrictions. As restrictions expire, net assets are reclassified to net assets without donor restrictions and are reported on the statement of activities as "Net Assets Released from Restrictions." Contributions are recognized when cash, securities or other assets, and unconditional promises to give, or notification or beneficial interest is received. Conditional promises to give 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. Contributed services are recognized in the financial statements if they require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. 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. generally accepted accounting principles 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 2021 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, 2020, 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>2021</u>	<u>2020</u>
Financial Assets at year end:		
Cash and Cash Equivalents	\$ 1,109,681	\$ 798,454
Accounts Receivable	58,614	68,411
Grants Receivable- Short Term	225,255	395,890
Promises to Give, Net- Short Term	88,872	103,401
Endowments	1,344,648	997,546
Total Financial Assets Available	<u>2,827,070</u>	<u>2,363,702</u>
Less amounts not available to be used in one year:		
Board Designated Assets - Endowment	702,084	482,394
Restricted Endowments	642,564	515,152
Total not available to be used in one year	<u>1,344,648</u>	<u>997,546</u>
Financial assets available to meet general expenditures over the following year	<u>\$ 1,482,422</u>	<u>\$ 1,366,156</u>

### 4. ***Cash and Cash Equivalents***

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

<u>As of June 30:</u>	<u>2021</u>	<u>2020</u>
Checking Accounts	\$ 859,440	\$ 548,454
Money Market Account	250,241	250,000
Total Cash and Cash Equivalents	<u>\$ 1,109,681</u>	<u>\$ 798,454</u>

As of June 30, 2021, the organization had exceeded the FDIC limit in cash accounts by \$744,552. Management believes the organization is not exposed to any significant credit risk on its cash balances.

### 5. ***Promises to Give***

The net value of long and short-term promises to give was \$281,770 and \$309,449 as of June 30, 2021, and June 30, 2020, 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:

Year Ending June 30:

2022	\$ 110,743
2023	84,866
2024	73,276
2025	40,856
2026	<u>13,722</u>
Total Promises to Give	323,463
Less Allowance for Doubtful Pledges	<u>(25,276)</u>
Promises to Give, Net of Allowance	298,187
Less Present Value Discount	<u>(16,417)</u>
Promises to Give, Net of Allowance and Present Value Discount	<u>\$ 281,770</u>

**6. Grants Receivable**

Grants receivable consists of grant awards and grant reimbursements for YWCA programs. Total grants receivable were \$375,255 and \$395,890, stated at net realizable value, as of June 30, 2021, and June 30, 2020, respectively. Management has evaluated the balances and considers them to be fully collectible. Grants receivable as of June 30, 2021 are expected to be received in the following years:

<u>Year Ending June 30:</u>	<u>2021</u>	<u>2020</u>
2022	\$ 225,255	\$ 395,890
2023	150,000	-
Total Grants Receivable	<u>\$ 375,255</u>	<u>\$ 395,890</u>

**7. Property and Equipment**

Property and equipment consist of the following as of June 30, 2021:

<u>As of June 30:</u>	<u>2021</u>	<u>2020</u>
Land	\$ 83,000	\$ 83,000
Buildings and Improvements	5,013,327	4,973,596
Furniture and Equipment	426,705	419,643
Vehicles	162,095	162,095
Less: Accumulated Depreciation	<u>(2,900,331)</u>	<u>(2,743,209)</u>
Total Property and Equipment, Net	<u>\$ 2,784,796</u>	<u>\$ 2,895,125</u>

Depreciation expense is \$158,920 and \$156,317 for the years ended June 30, 2021 and 2020, 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 \$380,836 is held without donor restrictions and intended to support extraordinary opportunity or needs of the organization.

YWCA of Asheville Reserve Fund (YWRP Fund) – This fund balance of \$221,247 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 of \$100,000 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:

	YWCA Holy Home Fund	YWJE Janirve Endowment Fund	Operating Funds
Balance as of June 30, 2020	\$ 80,336	\$ 434,816	\$ -
Current Year Activity:			
Contributions/Transfers	-	-	100,000
Investment Income	1,537	9,127	-
Investment Gains	17,364	103,857	-
Administration Fees	(678)	(3,795)	-
Distributions to YWCA	-	-	-
Balance as of June 30, 2021	\$ 98,559	\$ 544,005	\$ 100,000

  

	YWJR Janirve Reserve Fund	YWRP Reserve Fund	Total
Balance as of June 30, 2020	\$ 304,166	\$ 178,228	997,546
Current Year Activity:			
Contributions/Transfers	-	-	100,000
Investment Income	6,408	3,608	20,680
Investment Gains	72,864	40,927	235,012
Administration Fees	(2,602)	(1,515)	(8,590)
Distributions to YWCA	-	-	-
Balance as of June 30, 2021	\$ 380,836	\$ 221,248	\$ 1,344,648

**9. External Funds Benefiting the 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 \$2,000 and \$4,540 from the fund in the years ended June 30, 2021 and 2020, respectively.

**10. Notes Payable**

Notes payable consist of the following as of June 30, 2021:

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, 2021	\$	149,900
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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 potentially forgivable if certain criteria are met.

Balance as of June 30, 2021	\$	482,765
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Summary of Notes Payable:

Total Notes Payable	632,665
Less: Current Maturities	(486,386)
Notes Payable, Net of Current Maturities	<u>\$ 146,279</u>

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

2022	\$	486,386
2023		3,721
2024		3,825
2025		3,932
2026		4,042
Thereafter		<u>130,759</u>
Total Notes Payable	<u>\$</u>	<u>632,665</u>

On June 15, 2021, YWCA received confirmation from the Small Business Administration that the first PPP loan received in the previous year of \$422,347 had been forgiven in full.



**11. Capital Lease Obligations**

YWCA maintains a capital lease for gym equipment that runs through 2024. Capital lease obligations as of June 30, 2021 total \$17,472. The equipment subject to capital lease has a cost basis of \$46,613 and accumulated depreciation of \$24,084 as of June 30, 2021. 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>	
2022	\$ 7,243
2023	7,648
2024	<u>2,581</u>
Total Minimum Lease Obligations	<u>\$ 17,472</u>

**12. Operating Lease Obligations**

YWCA leases copiers and printers from Ricoh. The lease, dated January 2019, requires monthly payments of \$564 plus taxes and overages. The lease expires in 2024. Minimum lease obligations under the operating lease are as follows:

<u>Year Ending June 30:</u>	
2022	\$ 6,768
2023	6,768
2024	<u>3,948</u>
Total Minimum Lease Obligations	<u>\$ 17,484</u>

**13. Net Assets Without Donor Restrictions**

Net assets without donor restrictions totaled \$3,996,064 and \$3,855,771 as of June 30, 2021, and June 30, 2020, respectively. Net assets without donor restrictions includes Board designated endowment funds totaling \$702,084 and \$482,394, respectively (see disclosure 8).

**14. 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>	<u>2021</u>	<u>2020</u>
Early Learning Program	\$ 19,750	\$ 147,376
MotherLove	23,750	-
Racial Justice	300,000	150,000
Employee Homebuyer Assistance	57,941	39,719
Reserve Funds	243,260	134,817
Restricted in Perpetuity	<u>341,363</u>	<u>341,363</u>
Total Net Assets with Donor Restrictions	<u>\$ 986,064</u>	<u>\$ 813,275</u>

**15. Promotions and Marketing**

Promotions and marketing costs are expensed in the year incurred. Promotions and program marketing cost totaled \$9,130 and \$24,143 for the years ended June 30, 2021, and June 30, 2020, respectively.

**16. 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:

<u>As of June 30:</u>	<u>2021</u>	<u>2020</u>
Early Learning Program:		
Governmental Contract Revenue	\$ 566,452	\$ 501,953
Private Pay Childcare Fees	645,639	565,555
NC Pre-K Fees	135,355	131,040
Early Head Start Fees	9,333	112,000
Health and Wellness	187,545	422,850
Aquatics	27,389	56,016
Empowerment Childcare	17,951	18,447
Total Program Revenue	<u>\$ 1,589,664</u>	<u>\$ 1,807,861</u>

**17. 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, 2021. YWCA retirement cost was \$50,128 and \$29,943 for the years ended June 30, 2021, and June 30, 2020, respectively.

**18. 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, 2021 are as follows:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Endowments	\$ 1,344,648	\$ -	\$ -	\$ 1,344,648
Contributions Receivable	281,770	-	-	281,770
Total	<u>\$ 1,626,418</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,626,418</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:

	<u>Endowments</u>	<u>Promises To Give</u>
June 30, 2020	\$ 997,546	\$ 309,449
Transfers to Endowments	100,000	-
Change in Value, Net (Disclosure 8)	247,102	-
New Promises to Give	-	134,500
Collections	-	(86,938)
Write Offs	-	(78,645)
Allowance for Doubtful Pledges	-	3,404
June 30, 2021	<u>\$ 1,344,648</u>	<u>\$ 281,770</u>

**19. Concentrations in Operating Area**

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

**20. Uncertainties**

On January 30, 2020, the World Health Organization (WHO) announced a global health emergency because of a new strain of coronavirus (the COVID-19 outbreak) and the risks to the international community as the virus spreads globally. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the organization's financial condition, liquidity, and future results of operations. Management is actively monitoring the effects of the global situation on the organization's financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the organization is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial conditions, or liquidity for the fiscal year 2021.

**21. Subsequent Events**

Subsequent events have been evaluated through January 10, 2022, which is the date the financial statements were available to be issued.