

*Young Women's Christian Association  
of the Central Carolinas, Inc.  
Financial Statements  
June 30, 2023*

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***YOUNG WOMEN’S CHRISTIAN ASSOCIATION  
OF THE CENTRAL CAROLINAS, INC.***

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June 30, 2023**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Young Women's Christian Association of Central Carolinas, Inc.  
Charlotte, North Carolina

### Opinion

We have audited the accompanying consolidated financial statements of Young Women's Christian Association of Central Carolinas, Inc. (the "Organization" - a nonprofit organization), which comprise the consolidated statement of financial position as of June 30, 2023, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Young Women's Christian Association of Central Carolinas, Inc. as of June 30, 2023, 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 of 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 Young Women's Christian Association of Central Carolinas, 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 consolidated 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 consolidated 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 Central Carolinas, 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 consolidated 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.

Young Women's Christian Association of Central Carolinas, Inc.  
Charlotte, North Carolina

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 consolidated 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 consolidated 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 consolidated 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 purposes of expressing an opinion on the effectiveness of Young Women's Christian Association of Central Carolinas, 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 consolidated 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 Central Carolinas, 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 the Organization's 2022 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated December 15, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Foard & Company, P.A.*

April 2, 2024

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***YOUNG WOMEN'S CHRISTIAN ASSOCIATION  
OF THE CENTRAL CAROLINAS, INC.***

**Consolidated Statement of Financial Position**

**June 30, 2023, With Prior Year Comparative Totals**

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	<u>2023</u>	<u>2022</u>
<b><u>ASSETS</u></b>		
Cash	\$ 5,668,829	\$ 6,030,176
Receivables:		
Promises to give, net	82,393	432,088
Accounts	25,727	22,705
Government credits	-	240,798
Prepaid expenses	10,456	2,606
Assets held for long-term use:		
Investments	6,900,584	6,375,511
Cash	771,382	683,453
Accrued income receivable	26,779	22,654
Promises to give, net	3,835,094	7,543,217
Property and equipment, net	5,677,837	5,031,990
<b><i>TOTAL ASSETS</i></b>	<b><i>\$ 22,999,081</i></b>	<b><i>\$ 26,385,198</i></b>

**LIABILITIES AND NET ASSETS**

Liabilities:		
Accounts payable and accrued expenses	\$ 292,489	\$ 215,533
Deferred income	53,468	49,468
Accrued interest expense	578,652	546,652
Notes payable	651,650	639,610
Total Liabilities	1,576,259	1,451,263
Net Assets:		
Without donor restrictions	11,483,322	10,967,075
With donor restrictions	9,939,500	13,966,860
Total Net Assets	21,422,822	24,933,935
<b><i>TOTAL LIABILITIES AND NET ASSETS</i></b>	<b><i>\$ 22,999,081</i></b>	<b><i>\$ 26,385,198</i></b>

**YOUNG WOMEN'S CHRISTIAN ASSOCIATION  
OF THE CENTRAL CAROLINAS, INC.**

**Consolidated Statement of Activities**

**Year Ended June 30, 2023, With Prior Year Comparative Totals**

	Without Donor Restrictions	With Donor Restrictions	Totals	
			2023	2022
<b><u>SUPPORT AND REVENUE</u></b>				
Support:				
United Way	\$ 2,933	\$ 45,000	\$ 47,933	\$ 276,174
Contributions and grants	1,354,169	1,031,803	2,385,972	2,878,651
Governmental agencies	33,969	-	33,969	401,015
In-kind	76,344	-	76,344	76,293
Revenue:				
Program fees	777,788	-	777,788	629,244
Investment income	977,278	36,404	1,013,682	(1,072,306)
Rental income, net of \$16,824 of expenses	377	-	377	3,794
Loss on disposal of assets	-	-	-	(17,250)
Other income	3,409	-	3,409	6,454
Write-off of uncollectible promise to give	-	(4,000,000)	(4,000,000)	-
Net Assets Released from Restrictions:				
Satisfaction of time restrictions	389,494	(389,494)	-	-
Satisfaction of program restrictions	751,073	(751,073)	-	-
<b><i>TOTAL SUPPORT AND REVENUE</i></b>	<b><i>4,366,834</i></b>	<b><i>(4,027,360)</i></b>	<b><i>339,474</i></b>	<b><i>3,182,069</i></b>
<b><u>EXPENSES</u></b>				
Program services	3,063,721	-	3,063,721	2,587,041
Management and general	402,083	-	402,083	343,108
Fundraising	384,783	-	384,783	296,533
<b><i>TOTAL EXPENSES</i></b>	<b><i>3,850,587</i></b>	<b><i>-</i></b>	<b><i>3,850,587</i></b>	<b><i>3,226,682</i></b>
<b><i>CHANGE IN NET ASSETS</i></b>	<b><i>516,247</i></b>	<b><i>(4,027,360)</i></b>	<b><i>(3,511,113)</i></b>	<b><i>(44,613)</i></b>
<b><i>NET ASSETS, BEGINNING</i></b>	<b><i>10,967,075</i></b>	<b><i>13,966,860</i></b>	<b><i>24,933,935</i></b>	<b><i>24,978,548</i></b>
<b><i>NET ASSETS, ENDING</i></b>	<b><i>\$ 11,483,322</i></b>	<b><i>\$ 9,939,500</i></b>	<b><i>\$ 21,422,822</i></b>	<b><i>\$ 24,933,935</i></b>

**YOUNG WOMEN'S CHRISTIAN ASSOCIATION  
OF THE CENTRAL CAROLINAS, INC.**

**Consolidated Statement of Functional Expenses  
Year Ended June 30, 2023 With Prior Year Comparative Totals**

	Program Services					Total Program Services	Management and General	Fundraising	Totals	
	Youth Development	Health and Fitness	Women In Transition	Families Together	Racial Justice				2023	2022
<b>PERSONNEL</b>										
Salaries and wages	\$ 679,264	\$ 383,255	\$ 336,245	\$ 150,337	\$ 73,833	\$ 1,622,934	\$ 222,491	\$ 169,226	\$ 2,014,651	\$ 1,564,879
Benefits and taxes	114,033	53,982	44,101	23,343	11,880	247,339	56,006	24,017	327,362	256,769
<b>Total Personnel</b>	<b>793,297</b>	<b>437,237</b>	<b>380,346</b>	<b>173,680</b>	<b>85,713</b>	<b>1,870,273</b>	<b>278,497</b>	<b>193,243</b>	<b>2,342,013</b>	<b>1,821,648</b>
<b>OTHER EXPENSES</b>										
Occupancy	110,357	200,431	228,545	69,076	4,385	612,794	31,877	17,590	662,261	686,489
Contracted services	22,162	14,163	69,984	16,806	1,344	124,459	52,165	28,107	204,731	199,123
Insurance	22,313	6,180	10,132	4,873	759	44,257	8,666	680	53,603	56,316
Interest	-	-	32,000	12,040	-	44,040	-	-	44,040	43,464
Professional fees	-	-	3,332	-	-	3,332	14,750	46,711	64,793	32,960
Program supplies and activities	19,155	6,275	6,763	5,011	3,494	40,698	-	2,007	42,705	29,563
Phone and data service	12,134	6,059	3,932	2,743	502	25,370	2,646	1,565	29,581	26,921
Regional dues	4,218	3,369	3,450	1,285	411	12,733	4,330	-	17,063	18,885
Special events	-	-	-	-	-	-	-	58,222	58,222	17,827
Financial and bank fees	32	9,038	-	10	7	9,087	3,538	8,429	21,054	17,480
Publications	-	1,320	-	-	234	1,554	-	12,339	13,893	17,056
Program transportation	14,838	-	-	-	-	14,838	-	-	14,838	12,365
Staff development	2,307	9,058	1,313	149	614	13,441	374	2,133	15,948	8,486
Office supplies and equipment	1,386	1,340	735	63	184	3,708	3,682	808	8,198	7,763
Postage and freight	-	10	-	-	-	10	941	2,609	3,560	3,931
Meals	760	107	-	-	14	881	3,143	2,053	6,077	1,913
Travel	-	-	-	-	-	-	-	-	-	1,884
Local mileage reimbursement	2,311	-	-	-	-	2,311	84	18	2,413	1,580
Advertising	-	3,512	-	-	170	3,682	-	-	3,682	500
Bad debt	-	-	1,625	265	-	1,890	-	-	1,890	3,265
Other	761	61	7	205	2	1,036	894	376	2,306	3,927
<b>Total Other Expenses</b>	<b>212,734</b>	<b>260,923</b>	<b>361,818</b>	<b>112,526</b>	<b>12,120</b>	<b>960,121</b>	<b>127,090</b>	<b>183,647</b>	<b>1,270,858</b>	<b>1,191,698</b>
<b>TOTAL EXPENSES BEFORE DEPRECIATION EXPENSE</b>										
<b>DEPRECIATION EXPENSE</b>	<b>1,006,031</b>	<b>698,160</b>	<b>742,164</b>	<b>286,206</b>	<b>97,833</b>	<b>2,830,394</b>	<b>405,587</b>	<b>376,890</b>	<b>3,612,871</b>	<b>3,013,346</b>
Depreciation	14,688	98,292	72,825	45,567	1,955	233,327	13,320	7,893	254,540	226,342
<b>TOTAL EXPENSES</b>	<b>1,020,719</b>	<b>796,452</b>	<b>814,989</b>	<b>331,773</b>	<b>99,788</b>	<b>3,063,721</b>	<b>418,907</b>	<b>384,783</b>	<b>3,867,411</b>	<b>3,239,688</b>
Less - amounts deducted against support and revenue	-	-	-	-	-	-	16,824	-	16,824	13,006
<b>NET EXPENSES</b>	<b>\$ 1,020,719</b>	<b>\$ 796,452</b>	<b>\$ 814,989</b>	<b>\$ 331,773</b>	<b>\$ 99,788</b>	<b>\$ 3,063,721</b>	<b>\$ 402,083</b>	<b>\$ 384,783</b>	<b>\$ 3,850,587</b>	<b>\$ 3,226,682</b>

***YOUNG WOMEN'S CHRISTIAN ASSOCIATION  
OF THE CENTRAL CAROLINAS, INC.***

**Consolidated Statement of Cash Flows  
Year Ended June 30, 2023, With Prior Year Comparative Totals**

	<u>2023</u>	<u>2022</u>
<b><u>OPERATING ACTIVITIES</u></b>		
Change in net assets	\$ (3,511,113)	\$ (44,613)
Adjustments to reconcile change in net assets to cash flows from operating activities:		
Depreciation expense	254,540	226,342
Amortization of loan discount	12,040	11,465
Loss on disposal of equipment	-	17,250
Contributions restricted for long-term purposes	(616,150)	(1,033,613)
Write-off of uncollectible promise to give	4,000,000	-
Realized and unrealized losses (gains) on investments	(783,922)	1,172,389
(Increase) decrease in operating assets:		
Promises to give	332,818	15,429
Accounts and government credits receivable	237,776	188,337
Prepaid expenses	(7,850)	(558)
Accrued income receivable	(4,125)	550
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	76,956	39,299
Deferred income	4,000	(4,639)
Accrued interest expense	32,000	32,000
Refundable advance	-	(357,895)
<b><i>Cash Flows From Operating Activities</i></b>	<b><i>26,970</i></b>	<b><i>261,743</i></b>
<b><u>INVESTING ACTIVITIES</u></b>		
Purchase of property and equipment	(900,387)	(598,644)
Proceeds from sale of investments	1,292,538	1,029,305
Purchase of investments	(1,033,689)	(843,664)
<b><i>Cash Flows From Investing Activities</i></b>	<b><i>(641,538)</i></b>	<b><i>(413,003)</i></b>
<b><u>FINANCING ACTIVITIES</u></b>		
Decrease (increase) in promises to give for long-term purposes	(275,000)	750,000
Contributions restricted for long-term purposes	616,150	1,033,613
<b><i>Cash Flows From Financing Activities</i></b>	<b><i>341,150</i></b>	<b><i>1,783,613</i></b>
<b><i>CHANGE IN CASH</i></b>	<b><i>(273,418)</i></b>	<b><i>1,632,353</i></b>
<b><i>CASH, BEGINNING</i></b>	<b><i>6,713,629</i></b>	<b><i>5,081,276</i></b>
<b><i>CASH, ENDING</i></b>	<b><i>\$ 6,440,211</i></b>	<b><i>\$ 6,713,629</i></b>



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# ***YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF THE CENTRAL CAROLINAS, INC.***

## **Notes to Consolidated Financial Statements**

**June 30, 2023**

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### **NOTE 1 - ORGANIZATION AND PURPOSE**

#### *Nature of activities*

The Young Women's Christian Association of the Central Carolinas, Inc. (the "Organization") was incorporated on October 27, 1955, under the laws of the State of North Carolina. The Organization is a member agency of the United Way of Central Carolinas, Inc. (the "United Way") and receives a portion of its support in the form of allocations from the United Way. Other funding sources include private and governmental grants and contributions from the general public. The following is a summary of programs provided by the Organization:

- *Youth Programs*

The Organization's Youth Programs provide year-round afterschool and full-day summer programming for over 220 youth in Kindergarten through 5<sup>th</sup> grade at no cost to their families. The Organization serves youth throughout Mecklenburg and Union Counties in public housing communities, County Park and Recreation facilities, public schools and the Organization's building. The purpose of the program is improving academics with a focus on literacy, keeping children in positive, safe environments, and providing holistic support that meets the needs of students' families and encourages parent engagement. During the 2022-2023 school year, 64% of students increased or maintained their reading level if already on grade level while enrolled.

- *Health and Fitness*

The Organization's Sarah Belk Gambrell Health and Fitness Center provides health and fitness activities to over 700 community members, including participants in the Organization's transitional housing programs and Youth Programs. The Center features a heated indoor pool, weight and cardio facilities, water and land-based fitness classes, an outdoor fitness trail and access to personal training services. In addition, specialty programming including fee-based swim lessons and a fee-based swim team generate additional income for the center.

- *Women In Transition (WIT)*

Women In Transition provides safe, affordable housing and comprehensive support services for women each day who have experienced homelessness or housing insecurity. Participants must earn less than 60% of Area Median Income (\$43,260 for a family of one) at program entry. Participants work 1:1 with a participant advocate to create a plan upon entering the program which includes the goals the participant sets and how progress of those goals will be measured. Every participant has one housing and one budget goal but can identify other goals related to health and wellness, career/employment, sobriety/recovery, etc. WIT provides housing for up to 66 women every day and serves over 150 annually. In 2022-23, 74% of program graduates exited the program into permanent housing, and 94% established/maintained financial stability.

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# ***YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF THE CENTRAL CAROLINAS, INC.***

## **Notes to Consolidated Financial Statements**

**June 30, 2023**

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- Families Together  
Families Together provides safe, affordable housing and comprehensive support services for families with children that have experienced homelessness or housing insecurity. Families must earn between 20% and 50% of Area Median Income upon program entry (\$20,600 to \$51,500 for a four-person family). Participants work 1:1 with a participant advocate to create a plan upon entering the program which includes the goals the participant sets and how progress of those goals will be measured. Every participant has one housing and one budget goal but can identify other goals related to health and wellness, career/employment, sobriety/recovery, etc. FT provides individual housing for up to ten families at a time, a population of 45-50 individuals each day and 55-80 over the course of a year. In 2022-23, 100% of families that graduated from the program exited into permanent housing, and 100% established/maintained financial stability.
- Racial Justice and Advocacy  
The Organization's Racial Justice and Advocacy efforts are designed to educate and engage the community on topics of racial and social justice and mobilize them to dismantle systems of oppression. At the core of the Organization's mission – eliminating racism, empowering women, and promoting peace, justice, freedom and dignity for all – is the belief that no one should suffer from institutional and structural racism. Laws, policies and practices that perpetuate the criminalization of people of color are devastating to communities. Sessions developed by the Organization and in conjunction with community partners use topic experts to clearly define the issues and bring inequities to the forefront for concerned citizens. In 2022-23, programs were offered virtually and in-person, and the Racial Justice and Advocacy forums, book clubs, and annual Until Justice Just Is event engaged roughly 258 community members.

### Consolidated entity

Young Women's Christian Association of the Central Carolinas Endowment, Inc. ("Endowment") was incorporated on January 18, 2007, under the laws of the State of North Carolina. The purpose of the Endowment is to generate financial support, own, and manage capital assets for the Organization. The Endowment operates as a separate legal entity. However, a majority of the Endowment's Board of Directors are appointed by members of the Organization's Board of Directors. Due to the Organization's control of the Endowment, the accompanying consolidated financial statements include the activities of both entities. Significant affiliated transactions are eliminated when the separate financial statements are consolidated.

The Endowment has adopted investment and spending policies for its assets that attempt to provide a predictable stream of funding for supported programs while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk. Endowment assets are invested in a well-diversified asset mix, which includes equity and debt securities, that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make annual distributions while growing the funds. Actual returns in any given year will vary.

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***YOUNG WOMEN'S CHRISTIAN ASSOCIATION  
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**Notes to Consolidated Financial Statements**

**June 30, 2023**

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Under current policy, the Endowment Board of Directors may annually distribute up to four percent of the Endowment market value, averaged over the prior three years. There are no minimum distribution requirements. It shall be the responsibility of the Board, in consultation with the Investment Manager, to periodically review the spending policy against actual returns in order to make necessary adjustments. Income available for spending is determined by a total return approach. During the year, the Board approved a distribution of \$289,281.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*Basis of presentation*

The Organization prepares its financial statements on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (GAAP). The Organization is required under GAAP to report information regarding its financial position and activities according to the following classes of net assets:

- *Net assets without donor restrictions* – These amounts are not subject to any donor-imposed stipulations and include resources invested in property. Net assets without donor restrictions can be designated by the Organization for specific purposes. However, these funds have not been restricted by donors.
- *Net assets with donor restrictions* – These amounts are subject to donor-imposed stipulations. These restrictions may be temporary in nature, with the restriction being met either by actions of the Organization or the passage of time, or permanent, such that the net assets will be held in perpetuity by the Organization. During the year, the Organization had no net assets with donor restrictions required to be held in perpetuity.

*Contributions and grants*

The Organization reports contributions and grants of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires (that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

*Donated services, goods, property and equipment*

Donated services are reported as contributions when the services (a) create or enhance nonfinancial assets or (b) would be purchased if they had not been provided by contribution, require specialized skills, and are provided by individuals possessing those skills. Donated goods, if significant, are included in support at fair value. During the year, the Organization recorded \$4,080 of donated services and no donated goods. The value of the donated services was based on the rates that would have been charged for the services received.

In addition, many individuals, including members of the Board of Directors, volunteer their time and perform a variety of tasks that assist the Organization with specific assistance programs and various assignments. The value of this contributed time is not reflected in these financial statements since it does not meet the above recognition criteria.

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***YOUNG WOMEN'S CHRISTIAN ASSOCIATION  
OF THE CENTRAL CAROLINAS, INC.***  
**Notes to Consolidated Financial Statements**  
**June 30, 2023**

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*Donated facilities*

The Organization receives donated space for certain program related activities at various locations. The fair value of the rent has been calculated at \$72,264 based on area market rental rates for the year and has been reflected in the financial statements as a contribution with a like amount included in occupancy expense.

*Promises to give*

In accordance with GAAP, 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.

*Accounts receivable*

Accounts receivable are unsecured and consist primarily of amounts due for program services provided. Management considers all accounts receivable to be collectible based on its evaluation of the individual accounts; therefore, no allowance for doubtful accounts has been provided.

*Property and equipment*

Purchased fixed assets are carried at cost and donated fixed assets are recorded at their fair market value at the date of the gift, both subject to a \$1,000 capitalization policy. Depreciation is provided using the straight-line method over the estimated useful lives. Maintenance, repair costs, and minor replacements are charged to expense as incurred. When assets are retired or otherwise disposed of, the costs and accumulated depreciation are removed from the accounts and any gain or loss is reflected in current operations.

*Investments*

Investments are reported at fair value in accordance with GAAP.

*Deferred income*

Deferred income represents fees or other payments received in advance of providing related services or fulfilling contract terms. Such amounts are not recorded as income until the services are provided or contractual obligations are fulfilled.

*Functional allocation of expenses*

The Organization's activities are focused in three functional areas. Program services represent the primary focus of the Organization's activities. Supporting services are fundraising activities and management and general activities. Personnel expenses are allocated based on management's estimates of time and effort. Occupancy, depreciation and amortization, technology and interest are allocated based on space usage and program size. All other expenses are allocated on an analysis of the various expenses that comprise those costs.

*Use of estimates*

The preparation of financial statements in conformity with 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 support, revenues and expenses during the reporting period. Actual results could differ from those estimates.

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***YOUNG WOMEN'S CHRISTIAN ASSOCIATION  
OF THE CENTRAL CAROLINAS, INC.***  
**Notes to Consolidated Financial Statements**  
**June 30, 2023**

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*Income tax status*

The Organization and the Endowment are not-for-profit corporations that are exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code with respect to exempt function income. Both entities are not classified as a private foundation.

*Prior-year comparative totals*

The financial statements include certain prior-year summarized information in total, but not by net asset class or functional expense category. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Organization's June 30, 2022 financial statements, from which the summarized information was derived. Certain prior-year amounts may have been reclassified to conform to the presentation in the current-year financial statements.

**NOTE 3 - PROMISES TO GIVE**

Promises to give at year-end are expected to be collected as follows:

Year ended June 30:		
2024		\$ 2,934,127
2025		<u>1,001,940</u>
Total		3,935,967
Deduct:		
Allowance for doubtful accounts	\$ 3,674	
Present value discount	<u>14,906</u>	<u>18,580</u>
Total		<u>\$ 3,917,487</u>

Promises to give as of year-end include \$22,500 of United Way allocations for subsequent periods and \$3,850,000 of promises to give from four long-term funding partners supporting YWCA's capital campaign. No amounts have been included in the above allowance for doubtful accounts for these promises to give based on historical experience. Long-term promises to give pledged on or before June 30, 2021 are net of a present value discount of 1.15 percent, and those pledged after June 30, 2021 are net of a present value discount of 2.99 percent.

During the year the Organization was notified that a promise to give related to the Organization's capital campaign was rescinded. The write-off of this promise to give is reported separately in the accompanying financial statements. Management believes this was a one-time event.

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**NOTE 4 – GOVERNMENT CREDITS RECEIVABLE**

The Organization claimed the Employee Retention Tax Credit for the second, third and fourth quarters of calendar year 2020 and the first and second quarters of calendar year 2021 related to a partial suspension of operations due to COVID-19 orders from an appropriate governmental authority. The claims are subject to review and examination by the Internal Revenue Service for three years from the date of the claim.

**NOTE 5 - PROPERTY AND EQUIPMENT**

The principal categories and estimated useful lives of property and equipment at year-end are as follows:

	Estimated Useful Lives	
Buildings and improvements	10-40 years	\$ 9,459,389
Furniture and equipment	3-10 years	1,293,047
Land improvements	10 years	734,091
Land		736,953
		<u>12,223,480</u>
Less - accumulated depreciation		<u>6,545,643</u>
		<u><u>\$ 5,677,837</u></u>

**NOTE 6 - INVESTMENTS**

The balance at year-end consisted of the following assets held in an investment account at Bank of America:

Equities and equity mutual funds	\$ 5,131,961
Bond portfolio	<u>1,768,623</u>
	<u><u>\$ 6,900,584</u></u>

The Organization is the income beneficiary of various accounts held in trust for which the trustee has variance power over the distribution of the assets. Accordingly, no amounts are reflected in the accompanying financial statements related to the value of these accounts. Income is recorded as the Organization receives payments, due to the uncertainty of the timing and amounts that will be received.

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**NOTE 7 - NOTES PAYABLE**

Notes payables at year-end consist of the following obligations:

A balance of \$251,650 related to an interest-free loan from the North Carolina Housing Finance Agency with a face value of \$500,000 that is presented net of a present value discount of \$248,350. Since the note bears no interest, a present value discount has been computed utilizing a discount rate of five percent. This loan is secured by a deed of trust on the Organization's eleven townhome units located on Park Road constructed as part of the Families Together initiative. Principal is due February 1, 2038; however, the Organization may refinance the loan interest-free for an additional thirty years as long as the use of the property continues as originally proposed. This property is to be used to provide housing for homeless families with minor children. Any change in the use of the property could cause the entire loan balance to become due and payable immediately. The Organization has also assigned its interest in tenant leases related to the Families Together Program as a condition of this loan.

A balance of \$400,000 on a note from DreamKey Partners, Inc. (the "Partnership") secured by a fourth lien on the Organization's property located on Park Road. Interest accrues on this loan at a rate of eight percent per annum. Payment of the interest is deferred until the loan's maturity date of November 4, 2034; however, any outstanding principal and deferred interest will be forgiven at the maturity date unless 1) the property secured by the loan is transferred or 2) the WIT program is discontinued, at which time all outstanding principal and deferred interest will be due and payable. Accrued interest payable at year-end is \$578,652. The Organization has also assigned its interest in tenant leases related to the WIT program to the Partnership as a condition of this loan.

There are no future maturities of the above notes during the years ending June 30, 2024 through 2028.

**NOTE 8 - LINE OF CREDIT**

The Organization has a \$500,000 revolving line of credit with a local bank, secured by a second deed of trust on the Organization's property located on Park Road. Interest only is due monthly at the Prime Rate plus two percent, limited to a floor of 5 percent and a ceiling of 18 percent, with any outstanding principal balance due June 26, 2024. This line of credit is renewable annually. There was no outstanding principal balance as of year-end.

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**NOTE 9 - NET ASSETS**

Net assets with donor restrictions at year-end are available for the following purposes or periods:

United Way annual allocation for the period ending December 31, 2024	\$ 22,500
Promises to give in future years, net:	
Grounds for Change capital campaign	3,831,420
Other	12,482
More than a Roof Campaign:	
Facilities maintenance and program expansion	1,358,824
Grounds for Change capital campaign	4,012,810
Discount on interest-free loans	248,350
Youth Programs – facility	88,257
Youth Programs – technology upgrades	19,080
Women In Transition and Families Together – facility maintenance	306,116
Women In Transition and Families Together	32,266
Families Together furniture	5,119
Youth Programs wish list	875
Swim lessons	1,401
	<u>\$ 9,939,500</u>

Net assets of the consolidated entities for the year consist of the following:

	<u>YWCA</u>	<u>Endowment</u>	<u>Total</u>
Beginning	\$ 24,933,935	\$ -	\$ 24,933,935
Change in net assets	<u>(3,511,100)</u>	<u>-</u>	<u>(3,511,100)</u>
Ending	<u>\$ 21,422,835</u>	<u>\$ -</u>	<u>\$ 21,422,835</u>

**NOTE 10 - RETIREMENT PLAN**

The Organization provides retirement benefits for eligible employees as a participating employer-sponsor of the Organization Retirement Fund Inc. (the Fund) established by the YWCA USA. Contributions to the Fund amounted to \$49,926 during the year. The actuarial present value of the benefit obligation and fair value of plan assets are not available separately for each employer who participates in the Fund.



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**NOTE 11 - FAIR VALUE MEASUREMENTS**

Current accounting standards require fair value of financial instruments to be determined based on the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants. It establishes a three-level valuation hierarchy based upon observable and unobservable inputs, as follows:

Level 1 - Fair value is based on quoted prices in active markets for identical assets or liabilities.

Level 2 - Fair value is based on observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - Fair value is based on unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The Organization's investments are classified as Level 1 assets.

**NOTE 12 - CONCENTRATION OF CREDIT RISK**

Cash

Cash held in bank accounts is insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC). The Organization regularly maintains balances in excess of insured limits. The total cash held by the Organization at year-end includes \$5,736,570 in excess of insured limits covered by the FDIC.

Investments

Investments are insured by the Securities Investor Protection Corporation up to \$500,000. The Organization invests in a variety of investments, which are subject to fluctuations in market values and expose the Organization to a certain degree of investment risk.

Promised to give

At June 30, 2023, approximately 96 percent of the total promises to give is receivable from three donors.

The Organization operates in a small geographic area and receives funding from a limited number of sources and is therefore sensitive to changes in the local economy.

**NOTE 13 - CONTINGENCIES**

Grants from governmental agencies can be subject to special audits by the funding agencies. In addition, the ERTC is open to examination by the Internal Revenue Service from the date the credit was received for three years. Such audits could result in claims against the Organization for disallowed costs or noncompliance with grantor restrictions. No provision has been made for any liabilities that may arise from such audits since the amounts, if any, cannot be determined at this date.

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**NOTE 14 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The Organization has \$8,628,583 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditure consisting of cash of \$5,668,829 and receivables of \$2,959,754 which are expected to be collected during the year. Of this total \$2,095,270 of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Organization also maintains a \$500,000 line of credit that is available for general expenditures if needed.

**NOTE 15 - COMMITMENT**

The Organization has entered into contracts with a remaining total commitment of \$59,739 at June 30, 2023 for the installation of a new elevator.

**NOTE 16 - SUBSEQUENT EVENTS**

The Organization has evaluated subsequent events from the date of the statement of financial position through the date of the independent auditors' report, which is the date the financial statements were available to be issued. During this period, no material recognizable subsequent events were identified.