

***YWCA Central  
Massachusetts, Inc.***

*Financial Statements for the Years Ended  
September 30, 2024 and 2023 and  
Independent Auditors' Report*

**YWCA CENTRAL MASSACHUSETTS, INC.**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
YWCA Central Massachusetts, Inc.

### *Opinion*

We have audited the accompanying financial statements of YWCA Central Massachusetts, Inc. (a nonprofit organization), which comprise the statements of financial position as of September 30, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of YWCA Central Massachusetts, Inc. as of September 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### *Basis for Opinion*

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of YWCA Central Massachusetts, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Responsibilities of Management for the Financial Statements*

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about YWCA Central Massachusetts, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### *Auditors' Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of YWCA Central Massachusetts, 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 Central Massachusetts, 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.

Stowe & Degon LLC

February 6, 2025

# YWCA CENTRAL MASSACHUSETTS, INC.

## STATEMENTS OF FINANCIAL POSITION SEPTEMBER 30, 2024 AND 2023

	2024	2023
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash, cash equivalents and restricted cash	\$ 1,734,115	\$ 1,797,516
Investments	277,992	133,195
Program service fees receivable	1,066,706	613,322
Other accounts receivable	467,052	299,451
Pledges receivable, current	77,700	83,165
Prepaid expenses and other	10,604	8,490
Receivable from Affiliates	178,450	155,994
Total current assets	3,812,619	3,091,133
PLEDGES RECEIVABLE, non-current	23,024	105,788
PROPERTY AND EQUIPMENT, net	2,343,488	2,258,657
INVESTMENTS, long-term	2,480,503	1,946,569
NOTE RECEIVABLE (Note 3)	13,751,117	13,751,117
INVESTMENT IN AFFILIATES	12,598	12,598
<b>TOTAL ASSETS</b>	<b>\$ 22,423,349</b>	<b>\$ 21,165,862</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$ 38,770	\$ 51,331
Accrued expenses	301,469	289,021
Current portion of long-term debt	32,883	31,297
Current portion of renovation project loans (Note 9)	-	136,191
Current portion of capital lease obligations	-	4,151
Deferred revenue	10,580	101,048
Payable to Affiliates	559,785	189,525
Total current liabilities	943,487	802,564
LONG-TERM DEBT, net of current portion	259,971	292,424
LONG-TERM RENOVATION PROJECT LOANS, net of current portion and debt issuance costs (Note 9)	1,084,304	1,173,000
CONTINGENT LOANS (Note 10)	4,070,000	3,763,855
Total liabilities	6,357,762	6,031,843
<b>NET ASSETS:</b>		
Without donor restrictions	14,115,235	13,588,685
With donor restrictions	1,950,352	1,545,334
Total net assets	16,065,587	15,134,019
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 22,423,349</b>	<b>\$ 21,165,862</b>

See notes to financial statements.

# YWCA CENTRAL MASSACHUSETTS, INC.

## STATEMENTS OF ACTIVITIES FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING ACTIVITIES:						
REVENUES AND OTHER SUPPORT:						
Program service fees:						
Government contracts	\$ 6,823,930	\$ -	\$ 6,823,930	\$ 6,525,169	\$ -	\$ 6,525,169
Individuals and other	1,757,617	-	1,757,617	1,803,935	-	1,803,935
Grants and contributions	389,807	450,858	840,665	458,258	698,724	1,156,982
United Way	165,455	-	165,455	198,481	-	198,481
Special events, net of expenses of \$37,366 and \$45,113 in 2024 and 2023, respectively	88,956	-	88,956	68,485	-	68,485
Investment income, net of fees of \$15,355 and \$13,459 in 2024 and 2023, respectively	91,201	32,367	123,568	57,651	23,465	81,116
Miscellaneous income	28,198	-	28,198	35,107	-	35,107
Membership dues	895	-	895	4,645	-	4,645
Capital campaign contributions	-	10,559	10,559	-	81,775	81,775
Net assets released from restrictions	390,706	(390,706)	-	1,550,334	(1,550,334)	-
Total revenues and other support	9,736,765	103,078	9,839,843	10,702,065	(746,370)	9,955,695
EXPENSES:						
Program services	6,703,451	-	6,703,451	6,572,938	-	6,572,938
Supporting services	2,098,063	-	2,098,063	2,163,911	-	2,163,911
Total expenses	8,801,514	-	8,801,514	8,736,849	-	8,736,849
Change in net assets from operations	935,251	103,078	1,038,329	1,965,216	(746,370)	1,218,846
NONOPERATING ACTIVITIES:						
Realized and unrealized gain on investments, net	76,677	301,940	378,617	65,198	35,435	100,633
Loss on disposal of property and equipment	(15,286)	-	(15,286)	-	-	-
Interest income on note receivable	137,511	-	137,511	135,160	-	135,160
Service fees from Master Tenant	22,456	-	22,456	25,217	-	25,217
Rent paid to Master Tenant	(435,235)	-	(435,235)	(418,175)	-	(418,175)
Related expenses paid to Master Tenant	(194,824)	-	(194,824)	(189,899)	-	(189,899)
	(408,701)	301,940	(106,761)	(382,499)	35,435	(347,064)
Change in net assets	526,550	405,018	931,568	1,582,717	(710,935)	871,782
NET ASSETS - BEGINNING OF YEAR	13,588,685	1,545,334	15,134,019	12,005,968	2,256,269	14,262,237
NET ASSETS - END OF YEAR	\$ 14,115,235	\$ 1,950,352	\$ 16,065,587	\$ 13,588,685	\$ 1,545,334	\$ 15,134,019

See notes to financial statements.

**YWCA CENTRAL MASSACHUSETTS, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED SEPTEMBER 30, 2024  
(With Summarized Financial Information for the Year Ended September 30, 2023)**

	2024										2023	
	PROGRAM SERVICES					SUPPORT SERVICES					TOTAL	
	WELLNESS AND HEALTH EQUITY	CHILD CARE	TRANSITIONAL HOUSING	WOMEN'S ECONOMIC EMPOWERMENT	DOMESTIC VIOLENCE SERVICES GREATER WORCESTER	NORTH COUNTY	TOTAL PROGRAM SERVICES	MANAGEMENT AND GENERAL	PROGRAM SUPPORT	FACILITIES DEVELOPMENT	TOTAL SUPPORT SERVICES	TOTAL EXPENSES
<b>PERSONNEL AND RELATED:</b>												
Salaries	\$ 315,569	\$ 2,386,648	\$ 175,555	\$ 215,342	\$ 867,823	\$ 295,171	\$ 4,256,108	\$ 730,740	\$ 112,011	\$ 107,149	\$ 1,065,311	\$ 5,321,419
Employee benefits	22,888	253,990	19,065	35,015	155,477	56,027	540,462	71,221	6,899	13,784	104,263	644,725
Payroll taxes	25,480	187,384	13,532	17,213	68,706	23,525	335,440	57,993	8,964	8,053	83,872	408,979
Outside and contracted services	229	156,015	27,263	106,385	29,454	250	319,596	109,959	1,718	-	111,677	431,273
Total payroll and related expenses	364,166	2,984,037	235,415	373,955	1,119,460	374,773	5,451,806	969,913	129,592	128,986	1,365,123	6,672,662
<b>OCCUPANCY:</b>												
Rent and utilities	-	76,091	-	-	19,614	9,381	105,086	-	-	6,049	6,049	116,718
Repairs and maintenance	197	64,331	-	-	33,046	236	97,810	70,766	-	195,265	195,265	305,260
Insurance	-	2,207	-	-	1,003	753	3,963	38,328	-	12,696	83,462	91,289
Interest	122	-	-	-	-	-	122	-	-	-	58,328	51,803
Total occupancy	319	142,629	-	-	53,663	10,370	206,981	129,094	-	214,010	343,104	565,070
<b>OTHER:</b>												
Program supplies	32,091	99,872	357	9,369	321,640	20,422	483,751	815	-	-	815	362,339
Miscellaneous	4,590	48,670	-	3,589	24,377	9,031	94,226	96,097	478	903	99,514	338,921
Scholarships	-	-	7,000	-	5,000	-	12,000	-	-	-	-	12,000
Client transportation	-	79,036	-	5,640	2,556	-	87,232	-	-	-	-	95,376
Telephone	1,651	7,519	2,132	2,578	13,508	11,874	39,262	2,749	296	1,226	4,508	49,160
Printing, dues and subscriptions	1,123	5,826	-	283	6,831	4,393	18,456	5,828	972	140	7,156	32,211
Meals	1,525	18,979	-	15,414	6,420	-	42,338	213	-	247	460	41,248
Equipment rental and maintenance	3,677	5,808	-	-	2,193	1,320	12,998	-	17,085	1,111	18,196	31,174
Legal and accounting	-	1,416	10,112	-	-	-	10,112	73,410	-	-	73,410	80,182
Professional contracted services	-	185	2,400	-	15,894	-	19,710	69,099	-	-	86,374	85,416
Advertising	140	820	-	1,126	815	-	1,140	4,155	-	-	5,950	8,219
Travel	-	-	-	-	8,409	4,205	15,336	1,496	106	1,186	2,788	27,725
National council assessments	-	-	-	-	-	-	-	40,000	-	-	40,000	40,000
Office supplies	-	2,625	152	282	2,005	2,193	7,392	1,787	4,508	-	6,380	13,593
Conferences and meetings	1,583	5,648	118	568	386	-	8,303	2,375	-	515	3,033	31,882
Postage and shipping	-	91	-	-	30	-	121	41	2,699	-	2,770	3,154
Bad debt	-	-	-	-	-	-	-	7,208	-	-	7,208	-
Total other	47,291	276,495	26,940	38,849	410,064	53,438	853,077	305,273	26,144	5,328	358,562	1,232,600
Total expenses before renovation and capital campaign expenses, depreciation and allocations	411,776	3,403,161	262,355	412,804	1,583,187	438,581	6,511,864	1,404,280	155,736	348,324	2,066,789	8,490,332
<b>RENOVATION AND CAPITAL CAMPAIGN EXPENSES (NOTE 18)</b>												
<b>DEPRECIATION AND AMORTIZATION</b>												
Total expenses before facilities, program and general allocations	454,706	3,500,420	283,871	419,201	1,605,934	439,319	6,703,451	1,434,659	155,736	348,324	2,098,063	8,736,849
<b>FACILITIES ALLOCATION</b>	104,193	84,880	52,247	15,536	15,525	-	272,381	45,891	27,877	(348,324)	2,175	-
<b>PROGRAM SUPPORT ALLOCATION</b>	16,027	88,528	9,123	11,491	47,748	-	172,917	4,742	(183,613)	-	5,954	-
<b>MANAGEMENT AND GENERAL ALLOCATION</b>	103,412	794,817	59,009	73,498	309,437	106,140	1,446,313	(1,485,292)	-	-	38,979	-
Total expenses	\$ 678,338	\$ 4,468,645	\$ 404,250	\$ 519,726	\$ 1,978,644	\$ 545,459	\$ 8,595,062	\$ -	\$ -	\$ -	\$ 206,452	\$ 8,801,514
												\$ 8,736,849

See notes to financial statements.

**YWCA CENTRAL MASSACHUSETTS, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

FOR THE YEAR ENDED SEPTEMBER 30, 2020										
	PROGRAM SERVICES					SUPPORT SERVICES				
	WELLNESS AND HEALTH EQUITY	CHILD CARE	TRANSITIONAL HOUSING	WOMEN'S ECONOMIC EMPOWERMENT	DOMESTIC VIOLENCE SERVICES GREATER WORCESTER	NORTH COUNTY	TOTAL PROGRAM SERVICES	MANAGEMENT AND GENERAL	PROGRAM SUPPORT	TOTAL SUPPORT SERVICES
PERSONNEL AND RELATED:										
Salaries	\$ 342,963	\$ 2,380,014	\$ 186,372	\$ 253,135	\$ 843,289	\$ 240,587	\$ 4,246,360	\$ 641,898	\$ 102,569	\$ 969,263
Employee benefits	22,662	240,574	20,469	32,044	133,476	59,825	509,050	69,267	5,056	100,153
Payroll taxes	27,922	185,657	14,492	16,497	66,497	18,798	333,043	75,936	8,234	107,550
Outside and contracted services	-	105,561	60,570	121,674	25,520	3,311	316,636	122,186	35	122,221
Total payroll and related expenses	393,547	2,911,806	281,903	426,530	1,068,782	322,521	5,405,089	884,346	115,894	1,267,573
OCCUPANCY:										
Rent and utilities	-	74,217	-	-	19,116	16,563	109,896	-	-	6,822
Repairs and maintenance	-	92,494	1,055	-	34,091	436	127,640	75,146	-	177,620
Insurance	397	2,180	-	-	990	-	3,606	51,406	-	87,683
Interest	-	-	-	-	-	-	-	-	-	51,803
Total occupancy	397	168,891	1,055	-	54,197	16,999	241,539	126,552	-	323,531
OTHER:										
Program supplies	18,057	84,432	158	16,680	221,537	21,443	362,307	-	-	32
Miscellaneous	1,051	65,568	3,487	2,339	26,699	4,095	103,239	231,971	1,891	235,682
Scholarships	-	-	7,000	5,000	3,920	-	12,000	-	-	-
Client transportation	-	82,675	27	8,744	3,920	10	95,376	-	-	-
Telephone	1,071	14,954	1,955	2,283	12,667	11,733	44,663	2,851	345	4,497
Printing, dues and subscriptions	1,937	3,797	144	3,151	7,838	5,833	22,700	7,100	1,637	9,511
Meals	289	15,290	247	14,171	10,139	-	40,136	780	-	1,112
Equipment rental and maintenance	2,107	8,563	-	-	2,002	2,620	15,292	-	15,882	31,174
Legal and accounting	-	-	12,219	-	-	-	12,219	67,963	-	80,182
Professional contracted services	-	-	2,400	-	-	-	2,400	67,000	-	83,016
Advertising	292	158	-	-	400	750	4,824	4,824	-	8,219
Travel	349	1,332	72	9,047	11,085	2,488	24,373	2,155	3,352	27,725
National council assessments	-	-	-	-	-	-	-	40,000	-	40,000
Office supplies	272	3,404	452	153	2,169	972	7,422	1,891	4,144	13,593
Conferences and meetings	331	8,147	-	1,310	9,611	1,370	20,769	11,068	-	11,113
Postage and shipping	-	74	-	-	-	-	74	277	2,761	3,080
Total other	25,756	288,394	28,161	57,878	313,067	51,314	764,570	437,880	26,847	488,030
Total expenses before renovation and capital campaign expenses, depreciation and allocations	419,700	3,369,091	311,119	484,408	1,436,046	390,834	6,411,198	1,448,778	142,741	2,079,134
RENOVATION AND CAPITAL CAMPAIGN EXPENSES (NOTE 18)										
DEPRECIATION AND AMORTIZATION										
Total expenses before facilities, program and general allocations	34,184	85,463	17,133	5,102	19,120	738	161,740	59,996	-	59,996
FACILITIES ALLOCATION										
Facilities before facilities, program and general allocations	453,884	3,454,554	328,252	489,510	1,455,166	391,572	6,572,938	1,523,576	152,007	2,163,911
PROGRAM SUPPORT ALLOCATION	93,422	78,612	46,824	13,943	12,828	-	245,629	40,786	24,984	(245,629)
MANAGEMENT AND GENERAL ALLOCATION	16,940	86,332	9,520	12,789	40,089	-	165,670	4,675	(176,991)	(165,670)
Total expenses	118,323	833,802	67,165	90,173	315,561	95,760	1,520,784	(1,569,037)	-	(1,520,784)
Total expenses	\$ 682,569	\$ 4,453,300	\$ 451,761	\$ 606,415	\$ 1,823,644	\$ 487,332	\$ 8,505,021	\$ -	\$ 231,828	\$ 8,736,849

See notes to financial statements.



# YWCA CENTRAL MASSACHUSETTS, INC.

## STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 931,568	\$ 871,782
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	222,861	186,521
Loss on disposal of property and equipment	15,286	-
Capital grants and contributions	(2,131)	(170,273)
Realized (gain) loss on investments	(53,316)	2,001
Unrealized gain on investments	(325,301)	(102,634)
Pledges restricted for capital campaign, net of discount	(8,428)	(5,645)
Bad debt expense - pledges receivable	7,208	-
Amortization of debt issuance costs	1,492	8,949
Changes in operating assets and liabilities:		
Program service fees receivable	(453,384)	166,171
Other accounts receivable	(167,601)	(150,151)
Prepaid expenses and other	(2,114)	(5,325)
Receivable from Affiliates	(22,456)	(25,746)
Accounts payable	(12,561)	(6,399)
Accrued expenses	12,448	(53,073)
Deferred revenue	(90,468)	88,125
Payable to Affiliates	370,260	23,076
Net cash provided by operating activities	423,363	827,379
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of property and equipment	(322,978)	(381,897)
Investment purchases	(1,637,817)	(659,307)
Proceeds from sale of investments	1,337,703	661,956
Net cash used in for investing activities	(623,092)	(379,248)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayments on long-term debt	(30,867)	(29,389)
Repayments on long-term renovation project loans	(226,379)	(1,045,903)
Repayments on capital lease obligations	(4,151)	(4,270)
Proceeds from contingent loans	306,145	423,855
Capital grants and contributions received	2,131	170,273
Cash received from pledges receivables	89,449	265,276
Net cash provided by (used in) financing activities	136,328	(220,158)
NET (DECREASE) INCREASE	(63,401)	227,973
CASH, CASH EQUIVALENTS AND RESTRICTED CASH:		
BEGINNING OF YEAR	1,797,516	1,569,543
END OF YEAR	\$ 1,734,115	\$ 1,797,516
SUPPLEMENTAL DISCLOSURE:		
Cash paid for interest	\$ 51,364	\$ 91,386
RECONCILIATION OF CASH, CASH EQUIVALENTS AND RESTRICTED CASH		
The following table provides a reconciliation of cash, cash equivalents and restricted cash within the statements of cash flows that sum to the total of the same such amounts shown in the statements of financial position		
Cash and cash equivalents	\$ 1,441,307	\$ 1,621,745
Restricted cash - donor restriction	292,808	175,771
	\$ 1,734,115	\$ 1,797,516

See notes to financial statements.

# YWCA CENTRAL MASSACHUSETTS, INC.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023

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### 1. ORGANIZATION

YWCA Central Massachusetts, Inc. (YWCA) was incorporated in October 1885. YWCA has been providing services for women and their families living in the central Massachusetts area ever since its incorporation. YWCA is dedicated to *eliminating racism, empowering women and promoting peace, justice, freedom and dignity for all*. YWCA's vision is to be an all-inclusive women's advocacy and resource center with a proactive membership serving the diverse needs of women through leadership, service, and support.

YWCA continues to meet the needs of girls, women and families through a variety of programs and services from emergency shelter for victims of domestic violence to transitional housing and early education and care. YWCA has a strong public policy agenda and is a leader in building collaborations with local and regional organizations to improve the quality of life for women.

YWCA's programs consist of the following:

**Domestic Violence Services** – consists of both intervention and prevention components. Providing services to residents of the 64 cities/towns in Greater Worcester and North Central Massachusetts, the program is designed to respond to the needs of survivors of domestic violence effectively and efficiently. Addressing all forms of intimate partner violence, the program components target specific areas in the continuum of domestic violence services – ranging from emergency shelter for survivors and their dependent children fleeing from imminent danger to non-residential community based services, advocacy, and support navigating through court processes. YWCA operates thirteen rooms of confidential emergency shelter in Central Massachusetts. The community outreach and education components educate adults and youth about domestic violence and provide tools to help participants deal with conflict without needing to resort to violence. In addition to direct services, YWCA works with community stakeholders to develop local solutions to prevent domestic violence and promote healthy relationships.

**Childcare Services –**

- **The Early Education and Care Program** – provides full and part-time, year-round infant, toddler, and preschool early education and care for children ages four weeks to five years of age in the Worcester and Westborough area. The curriculum is designed to nurture the child's social, emotional, and cognitive development. The programs are licensed for 202 children by the Massachusetts Department of Early Education and Care, validated at Level 3 in the state's Quality Rating Improvement System (QRIS), and accredited by the National Association of Early Childhood Programs.
- **Learning 4 Fun After School Program** – is a safe, structured, and fun program for children in grades K-6 on site at the Roosevelt and Clark Street elementary schools in Worcester. The program operates from 2:15-5:30 p.m. Monday through Friday throughout the academic year (180 days) and includes time for homework assistance, recreational sports, and games and enrichment activities. The program serves approximately 91 children annually. During school vacation weeks and on professional development days, YWCA provides out-of-school time programming at its One Salem Square location in downtown Worcester from 7:30 a.m. to 5:30 p.m.
- **Camp Wind-in-the-Pines** – is a summer day camp for youth ages 6-15 years on Stiles Reservoir in Leicester, Massachusetts. Approximately 200 children participate during the summer. This program is licensed by the Department of Public Health.

## 1. ORGANIZATION (CONTINUED)

### *Youth Development –*

- **Young Parents Program** – provides an alternative education program for TAFDC (welfare) recipients (ages 14 through 24) who have not completed their high school education. The program's main goal is for each participant to obtain educational credentials and become self-sufficient. The program partners with other community based organizations to provide academic instruction preparing young parents to take the HiSET (high school equivalency test), and/or obtain college credentials. The program also offers life skills workshops, parenting education, case management and career, and college readiness.
- **Girls CHOICE (Choosing Hope, Opportunity, and Independence through Career and Education)** – is a long-term, coordinated system of support services and community connections for middle school and high school girls that empowers girls to become self-sufficient through educational pursuits and gender-specific mentoring. The program serves approximately 45 girls in Worcester and 45 girls in Leominster.
- **Healthy Youth Development** – provides recreation, physical fitness, and leadership development activities to young people from elementary through high school with after-school, evening, and summer programming. The program also collaborates with a number of youth-serving organizations throughout the year to provide physical education and recreational programming for children 6 to 18 years old.

**Transitional Housing Program (THP)** – consists of a safe, secure, supportive housing for women 18 years of age and older. Support services include case management, advocacy, job search and/or placement, permanent housing search, medical and legal referrals and transportation supports. The THP is designed to help each woman set and achieve goals and acquire skills to become self-sufficient. The goal of the program is for participants to obtain permanent independent housing within two years.

### *Wellness and Health Equity –*

- **Health and Wellness Center** – represents a pro-active approach to improving the health of the community. Programming includes group aerobic and water exercise classes; specialty fitness classes; lap and recreational swim; health education and fitness programs for chronically ill or disabled populations; personal training.
- **Health and Wellness Programs** – ENCORE<sup>plus</sup>, WoC-C, and Women's Health Network are community based breast and cervical cancer outreach, education, early detection, and support programs designed to serve women over 40, women of color and under insured or uninsured women.

**Race and Gender Equity** – supports YWCA's commitment to dismantling racism in all forms through organizational best practices, research and development, advocacy and public policy, and education. Racial Equity 101 education for staff and volunteers and external audiences help participants develop a better awareness of institutional and structural racism. A variety of community events, activities, and dialogue sessions address the intersection of race, gender, and economic equality. YWCA's annual STAND Against Racism is a signature campaign of YWCA USA to build community among those who work for racial justice and to raise awareness about the negative impact of institutional and structural racism in our communities. Other events held throughout the year such as International Women's Day and Fall Forum, also bring attention to the ongoing struggles women face in the professional and political arenas.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Basis of presentation** – The financial statements of the YWCA have been prepared in accordance with U.S. generally accepted accounting principles (US GAAP), which require YWCA to report information regarding its financial position and activities according to the following net asset classifications:

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

**Net assets with donor restrictions** – Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the YWCA or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires (that is, when stipulated time restriction ends or purpose restriction is accomplished), net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

**Adoption of accounting standard** – YWCA changed its method of accounting for credit losses on financial instruments as of October 1, 2023 due to the adoption of Accounting Standards Update (ASU) 2016-03 which amended ASC Topic 326, *Financial Instruments – Credit Losses*. ASU 2016-03 establishes a new forward looking “expected loss model” that requires the YWCA to estimate current expected credit losses on program services fees and other financial instruments by using all practical and relevant information. The adoption of the new standard did not have a material impact on the financial statements.

**Leases** – YWCA records leases under ASC 842 *Leases*, which an asset is recorded and represents the right to use (right of use) the underlying asset for the lease term (with terms in excess of twelve months), and a corresponding liability, which represents the present value of the YWCA's obligation to make payments arising over the lease term. Right of use assets are amortized on the straight-line basis over the term of the lease. The liabilities for operating leases are amortized using a risk-free interest rate. YWCA has operating lease agreements with the entities formed due to the building renovation and investment (see Note 3). However, due to the terms of the lease agreements, YWCA did not record the operating leases under ASC 842. The YWCA has one finance lease recorded under ASC 842 (see detail on Note 14). The financing lease liability is amortized using the YWCA's borrowing interest rate as the discount rate and the YWCA recognizes the amortization on a straight-line basis over the term of the asset. Depreciation, amortization and interest expense are included with depreciation and amortization and interest expense on the statements of functional expenses. The cost of the financing lease is included with property and equipment on the statements of financial position.

**Measure of operations** – The statement of activities reports all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to the YWCA's ongoing services provided for women and their families living in the central Massachusetts area. Nonoperating activities are limited to investment return and other activities considered to be of a more unusual or nonrecurring nature.

**Cash, cash equivalents and restricted cash** – For purposes of the statement of cash flows, YWCA considers all highly liquid deposits to be cash and cash equivalents. YWCA maintains its cash in bank deposit accounts, which at times may exceed federally insured limits. YWCA has not experienced, nor does it anticipate, any losses in such accounts.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Program service fees and other accounts receivable** — Accounts are charged to bad debt expense as they are deemed uncollectible based on a periodic review of the aging and collections of the accounts receivable. YWCA considers accounts receivable as of September 30, 2024 and 2023 to be fully collectible; therefore, no allowance for credit losses was recorded in 2024 or 2023.

**Investments** — Investments are recorded at cost, if purchased, or at fair value, if donated. Thereafter, investments are reported at their fair values in the statements of financial position, and changes in fair value are reported as investment return in the statements of activities. Investment securities are exposed to various risks including, but not limited to, interest rate, market and credit risks. Due to the level of risks associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term. YWCA seeks to minimize market risk by diversifying its investment portfolio.

Purchases and sales of securities are reflected on a trade-date basis. Gains and losses on sales of securities are based on average cost and are recorded in the statements of activities in the period in which the securities are sold. Interest is recorded when earned. Dividends are accrued as of the ex-dividend date.

Current investments in the accompanying financial statements include highly liquid holdings that can be converted to cash immediately. In accordance with the Board of Director's intent, all other investments are included in non-current assets in the accompanying financial statements.

**Pledges receivable** — Pledges receivable consist of unconditional promises to give contributions committed to the capital campaign. Pledges receivable that are expected to be collected within one year are recorded at net realizable value. Pledges receivable that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Discount amortization is included in capital campaign contribution revenue. During 2024, YWCA wrote off \$7,208 of pledges receivable to bad debt expense. There were no write-offs to bad debt expense in 2023.

**Property and equipment** — Purchased property and equipment in excess of \$1,500 and having a useful life of more than one year are capitalized and recorded at cost. Repairs and maintenance are charged to expense as they are incurred. Depreciation is provided over the estimated useful lives of the property and equipment, which range from 3 – 40 years, of each class of depreciable asset and is computed using the straight-line method.

**Deferred revenue** — Deferred revenue represents certain program service fees received in advance of the services being provided.

**Debt issuance costs** — Debt issuance costs incurred in connection with the issuance of the renovation project loans are capitalized and amortized to interest expense over the terms of the specific loans (from 18 to 46 months) using the straight-line method, which approximates the effective interest method. The unamortized amount is presented as a reduction of the total renovation project loans on the statements of financial position in accordance FASB ASC 835-30. The debt issuance costs were fully amortized in 2024.

**Revenue recognition** — YWCA recognizes program service fees from federal, state, local agencies and individuals, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts are recognized as revenue when YWCA has performed the service or incurred the expense in compliance with specific contract or grant provisions and has requested reimbursement. Grants and contributions are recognized when cash, securities or other assets, or an unconditional promise to give is received.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Revenue recognition (continued)** – Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return are not recognized until the conditions on which they depend have been met. Contributions of assets other than cash are recorded at their fair value at the date of the gift. During 2024 and 2023, YWCA did not receive any donated goods or services which were required to be recorded. Additionally, YWCA receives services of volunteers in various aspects of its programs. The value of these services is not reflected in the accompanying financial statements since the value assigned to these services by the donating volunteers is not ascertainable and does not meet the recognition criteria of generally accepted accounting principles for nonprofit organizations.

**Functional expense allocation** – The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities and functional expenses. Accordingly, certain costs have been allocated among program services, management and general, program support, facilities and development. Such allocations are determined by management on the basis of estimates of time and effort.

**Use of estimates** – The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

**Advertising costs** – The YWCA expenses advertising costs as they are incurred. Total advertising expense in 2024 and 2023 was \$7,090 and \$8,219, respectively.

**Income tax status** – YWCA is exempt from income tax under IRC section 501(c)(3), though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. The YWCA has processes in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. YWCA has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

**Subsequent events** – YWCA has evaluated all subsequent events through February 6, 2025, the date the financial statements were available to be issued.

## 3. BUILDING RENOVATION AND INVESTMENT

In 2017, YWCA began a capital campaign with an established goal to raise \$7,500,000 in contributions for the purposes of making much needed improvements and renovations to the Salem Square building in which it operates. During the preliminary construction planning it was determined that the Salem Square building was a historic site and improvements to it could qualify for both federal and state historic tax credits and federal new market tax credits. In order to benefit from the historic and new market tax credits, which are not available to the YWCA due to its non-profit status, a Community Development Corporation (CDC) was created with U.S. Bancorp (USBCDC) acting as the lead investor. U.S. Bancorp in turn invested the funds from the CDC, along with funds from other outside investors, into four separately organized Community Development Entities (CDE's). The investor funds flowing through the CDC and CDE's were used to complete the construction and renovations of the Salem Square building. Over the next 5-7 years the investors will benefit from the available historic and new market tax credits, receiving both their initial contribution to the CDC/CDE's and an investment return. The creation and management of the Community Development Corporation and the Community Development Entities for tax purposes is complex and requires careful consideration of federal and state tax regulations.

### **3. BUILDING RENOVATION AND INVESTMENT (CONTINUED)**

After the historic and new market tax credits have been earned and distributed the CDC and CDE's will "unwind" and the improvements resulting from the renovation and construction project will transfer to the YWCA. The expected and approximate time period is 7 years (expected FY2027).

The original building was purchased in 1961 and is fully depreciated. The land associated with the building is valued at its original cost of \$113,000. In 1991, YWCA performed major renovations approximating \$2,000,000, of which approximately \$400,000 remains to be depreciated through 2026.

The current development project and planned improvements may overlap and replace some of the 1991 improvements, however a detailed listing of the 1991 improvements is not available. YWCA intends to depreciate the remaining leasehold improvements from 1991 through the end of the original assigned life of 2026. Other significant assets located in Worcester consist of furniture and equipment that will continue to be used during and after the construction project is complete.

In order to facilitate the rehabilitation project, and to provide the investors with the regulatory right and ownership to the historic and new market tax credits, several new legal entities were created. These include the following:

1. YWCA CM QALICB, LLC (QALICB) – A qualified active low-income community business organized for the purpose of meeting regulations and requirements needed to obtain the new market tax credits.
2. YWCA CM Master Tenant (Master Tenant) – Leases property from the QALICB. Owned 1% by Manager and 99% by the outside investors. Formed for the purpose of permitting its owners to benefit from the historic tax credits.
3. YWCA CM Manager, Inc. (Manager) – a separately organized non-profit entity. Formed to hold a 99% interest in the QALICB.

YWCA has a 1% ownership in QALICB. On January 31, 2020, YWCA and QALICB entered into a long-term lease (99 years) for the Salem Square building at a rate of \$1 per year. YWCA holds a variable interest in QALICB, the Master Tenant and the Manager. A variable interest entity refers to a legal business structure in which an investor has a controlling interest despite not having a majority of the ownership. YWCA is involved in the administrative functions of the QALICB and the Master Tenant. In addition, YWCA has provided guarantees with respect to the construction and the repayment of investment loans and has provided the Salem Square building as investment collateral. Although a variable interest entity (VIE) relationship may exist, non-profits entities are not required to follow the rules for VIE consolidation. Furthermore, the relationships explained herein will unwind after the historic and new market tax credits are legally earned and distributed to the investors. Management has determined that VIE consolidation of the above entities will serve only to confuse the reader of the financial statements and will diminish the importance of reporting on the community programs it provides. Accordingly, the above VIE's have not been consolidated into the 2024 and 2023 financial statements presentation.

### 3. BUILDING RENOVATION AND INVESTMENT (CONTINUED)

Activity related to the above affiliated entities and reported in the YWCA statements of financial position and statements of activities as of and for the years ended September 30, 2024 and 2023 is as follows:

Statements of Financial Position as of September 30, 2024 and 2023:

- Note receivable – As part of the investment fund formation, YWCA loaned USBCDC \$16,620,400 on January 31, 2020. The terms require quarterly interest payment at a rate of 1% through December 15, 2027. During 2022, the USBCDC, using proceeds from historic tax credits, made a principal payment of \$2,869,283. These funds were used by the YWCA to pay down the renovation project loans (see Note 9). The remaining principal balance repayments will only occur beginning March 15, 2028 and only if the investment and return of the developed property to the YWCA does not occur. It is expected that once the property reverts back to the YWCA the note agreement will terminate. The outstanding balance on the note as of September 30, 2024 and 2023 was \$13,751,117.
- Investment in Affiliates – Represents a 1% interest in the Master Tenant and QALICB of \$7,110 and \$5,488, respectively.
- Receivable from Affiliates – Includes \$54,869 and \$32,413 in 2024 and 2023, respectively, owed from the Master Tenant for administrative services provided by the YWCA for the management of the fitness center as well as other expenses paid by the YWCA. Also included is \$123,581 in 2024 and 2023 owed from the QALICB for operating expenses paid by the YWCA.
- Payable to Affiliates – Represents rent due to the Master Tenant.

In January 2020, YWCA entered into several development loans to fund the investment note with the USBCDC. The notes which amounted to \$1,084,304 and \$1,309,191 at September 30, 2024 and 2023, respectively, are disclosed in Note 9 and are included as a component of long-term renovation project loans. Debt issuance costs of \$77,534 that were paid with the proceeds of the notes are being amortized over the expected payment terms of the loans. During 2024 and 2023 a total of \$1,492 and \$8,949, respectively, of debt issuance costs were amortized and recorded as a component of interest expense.

Statements of Activities for the years ended September 30, 2024 and 2023:

- Interest income on Note Receivable – Represents the 1% interest on the development note receivable held with and due from the USBCDC.
- Service fees from Master Tenant – YWCA receives a monthly service fee for facility management and the administration of the wellness and health and domestic violence programmatic services. The monthly fee is subject to a 3% increase on annual basis. The agreement will terminate upon the earlier of the unwinding of the investment fund or 19 years (FY 2039).
- Rent paid to the Master Tenant – YWCA leases property from the Master Tenant including space for transitional housing, childcare and administrative activities. The lease, which commenced on January 31, 2020, requires quarterly payments of rent established at a monthly rate of \$36,270 during 2024 and \$34,848 during 2023. The lease will terminate upon the earlier of the unwinding of the investment fund or 15 years (FY 2035). The agreement includes annual rent increases. The minimum annual lease obligation for this space over the next five years is \$452,504 – FY 2025, \$465,367 – FY 2026, \$477,554 – FY 2027, \$1,030,349 – FY 2028, and \$1,240,782 – FY 2029.
- Related expenses paid to Master Tenant – The wellness and health program that operates within the space of the fitness center and gym are programs operated by the Master Tenant. Wellness and health program fees of \$194,824 and \$189,899 in 2024 and 2023, respectively, are included within program service fees and also as a reimbursable expense to the Master Tenant.



#### 4. PLEDGES RECEIVABLE

YWCA anticipates collection of outstanding pledges receivable as follows at September 30:

	2024	2023
Capital campaign, current (Note 18)	\$ 77,700	\$ 83,165
Restricted to future periods	<u>23,024</u>	<u>114,216</u>
Pledges receivable before unamortized discount	100,724	197,381
Less: unamortized discount	<u>-</u>	<u>(8,428)</u>
Net pledges receivable	<u>\$ 100,724</u>	<u>\$ 205,809</u>
Amounts due in:		
Less than one year	\$ 77,700	\$ 83,165
One to four years	<u>23,024</u>	<u>105,788</u>
	<u>\$ 100,724</u>	<u>\$ 188,953</u>

Amounts presented above have been discounted to present value using a discount rate of 6.25% in 2023. There were no new pledges received in 2024. The 2023 remaining discount was recognized as capital campaign contribution income in fiscal years 2024.

## 5. PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	2024	2023
<b>Worcester:</b>		
Land improvements	\$ 465,981	\$ 465,981
Building and improvements	2,450,092	2,438,798
Furniture and equipment	<u>433,877</u>	<u>391,778</u>
Total Worcester	<u>3,349,950</u>	<u>3,296,557</u>
<b>Leicester:</b>		
Land and improvements	61,181	61,181
Building and improvements	727,935	704,912
Furniture and equipment	<u>18,395</u>	<u>16,741</u>
Total Leicester	<u>807,511</u>	<u>782,834</u>
<b>Westborough:</b>		
Land and improvements	17,000	17,000
Building and improvements	1,679,671	1,540,218
Furniture and equipment	<u>105,384</u>	<u>45,103</u>
Total Westborough	<u>1,802,055</u>	<u>1,602,321</u>
<b>Greater Worcester - Domestic Violence Services:</b>		
Land and improvements	10,204	10,204
Building and improvements	531,739	529,716
Furniture and equipment	<u>27,183</u>	<u>21,292</u>
Total Greater Worcester	<u>569,126</u>	<u>561,212</u>
<b>North County - Domestic Violence Services:</b>		
Furniture and equipment	<u>7,375</u>	<u>7,375</u>
<b>Construction-in-Progress</b>	<u>4,840</u>	<u>36,972</u>
Total property and equipment	6,540,857	6,287,271
Less accumulated depreciation	<u>4,197,369</u>	<u>4,028,614</u>
Net property and equipment	<u>\$ 2,343,488</u>	<u>\$ 2,258,657</u>

## 6. INVESTMENTS

Investments consist of the following at September 30:

	2024		2023	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Money market	\$ 277,992	\$ 277,992	\$ 133,195	\$ 133,195
Certificate of deposit	-	-	107,000	106,751
Exchange-traded funds	<u>2,221,409</u>	<u>2,480,503</u>	<u>1,905,776</u>	<u>1,839,818</u>
	<u>\$ 2,499,401</u>	<u>\$ 2,758,495</u>	<u>\$ 2,145,971</u>	<u>\$ 2,079,764</u>

## 6. INVESTMENTS (CONTINUED)

The following is a summary of net unrealized and realized gain for the years ended September 30:

	2024	2023
Unrealized gain	\$ 325,301	\$ 102,634
Net realized gain (loss)		
(based upon original cost)	53,316	(2,001)
Total net gain for year	<u>\$ 378,617</u>	<u>\$ 100,633</u>

The investment portfolio is a pooled income fund consisting of with restrictions - permanently restricted endowment funds and without restrictions - board designated investment funds.

The Board of Directors of YWCA has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA), enacted in Massachusetts, as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, YWCA classifies as with donor restrictions - permanently restricted net assets (a) the original value of the gifts donated to the with donor restrictions - permanent endowment, (b) the original value of subsequent gifts donated to the with donor restrictions - permanent endowment, and (c) accumulations to the with donor restrictions - permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the with donor restriction endowment fund that is not classified in with donor restrictions – permanent endowment is classified as with donor restrictions - temporarily restricted net assets until those amounts are appropriated for expenditure by the YWCA in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, YWCA considers the duration and preservation of the fund, the YWCA's long and short-term needs, the purposes of the YWCA and the with donor-restricted endowment fund, expected total return on its investments, the possible effect of inflation and deflation, general economic conditions, other resources of the YWCA and the investment policies of the YWCA.

YWCA has a spending policy of appropriating for distribution each year the income earned on the endowment funds as determined annually. Should the market value of the fund fall below the original amount of the gift, the Board shall determine annually whether the income earned can be distributed or if the income earned shall remain undistributed. This is consistent with the YWCA's objective to maintain purchasing power of the endowment assets held in perpetuity.

YWCA's Board of Directors has established an investment spending policy which allows a percentage of the without restrictions endowment fund – board designated to be appropriated for operations and capital expenditures annually, based on the percentage of the prior year's market value. During the year ended September 30, 2023, 4% or \$40,486 of the market value of the funds that make up the YWCA's without restrictions endowment fund – board designated at the end of the previous fiscal year was appropriated for operations under this policy. The Board of Directors elected not to appropriate any funds from the endowment during 2024.

YWCA also appropriates for operations investment income earned on with donor restrictions - permanent endowment (see Note 11). The income is used to provide scholarships and counseling services. YWCA appropriated for operations investment income earned on these funds of \$5,000 in 2024 and \$12,000 in 2023.

## 6. INVESTMENTS (CONTINUED)

During fiscal year 2005, the YWCA's Board of Directors approved an additional \$300,000 distribution from without restrictions – board designated endowment to pay down the line of credit. This created an inter-YWCA promissory note that accrues interest at 2.5% per annum and was scheduled to mature in 2015. The Board of Directors voted not to accrue interest on this note in 2024 and 2023; however, during 2024, the Board of Directors approved to pay the \$244,809 remaining note balance in full in March 2024 with a transfer from cash and cash equivalent to the without donor restrictions investments fund.

The without restrictions – board designated endowment represents investment funds reported at fair value and restricted by the Board of Directors to be used to fund future renovations to buildings and to fund the expansion of program activities and support services. These funds may only be used with the approval of the Board of Directors.

Investments composition as of September 30, 2024:

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>		<b>Total</b>
		<b>Temporarily</b>	<b>Permanently</b>	
Donor-restricted endowment funds	\$ -	\$ 792,504	\$ 526,690	\$ 1,319,194
Board-designated endowment funds	1,439,301	-	-	1,439,301
Total Funds	<u>\$ 1,439,301</u>	<u>\$ 792,504</u>	<u>\$ 526,690</u>	<u>\$ 2,758,495</u>

Change in investments for the year ended September 30, 2024:

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>		<b>Total</b>
		<b>Temporarily</b>	<b>Permanently</b>	
Investments, beginning of year	\$ 1,089,877	\$ 463,197	\$ 526,690	\$ 2,079,764
Additions	244,809	-	-	244,809
Investment return:				
Investment income, net of fees	27,938	32,367	-	60,305
Net appreciation (realized and unrealized)	76,677	301,940	-	378,617
Total investment return	104,615	334,307	-	438,922
Appropriation of investment assets for expenditure	-	(5,000)	-	(5,000)
Investments, end of year	<u>\$ 1,439,301</u>	<u>\$ 792,504</u>	<u>\$ 526,690</u>	<u>\$ 2,758,495</u>

## 6. INVESTMENTS (CONTINUED)

Investments composition as of September 30, 2023:

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions Temporarily</b>	<b>Permanently</b>	<b>Total</b>
Donor-restricted endowment funds	\$ -	\$ 463,197	\$ 526,690	\$ 989,887
Board-designated endowment funds	1,089,877	-	-	1,089,877
Total Funds	<u>\$ 1,089,877</u>	<u>\$ 463,197</u>	<u>\$ 526,690</u>	<u>\$ 2,079,764</u>

Change in investments for the year ended September 30, 2023:

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions Temporarily</b>	<b>Permanently</b>	<b>Total</b>
Investments, beginning of year	\$ 1,034,983	\$ 420,107	\$ 526,690	\$ 1,981,780
Investment return:				
Investment income, net of fees	19,372	23,465	-	42,837
Net depreciation (realized and unrealized)	65,198	35,435	-	100,633
Total investment return	84,570	58,900	-	143,470
Transfers	3,810	(3,810)	-	-
Appropriation of investment assets for expenditure	(33,486)	(12,000)	-	(45,486)
Investments, end of year	<u>\$ 1,089,877</u>	<u>\$ 463,197</u>	<u>\$ 526,690</u>	<u>\$ 2,079,764</u>

## 7. NOTE PAYABLE TO BANK

The YWCA has available a line of credit, with its primary bank, for a borrowings up to \$750,000. Interest is payable monthly at an interest rate based on the Wall Street Journal prime rate (8.00% at September 30, 2024) with a floor of 3.50%. On September 3, 2023, the line of credit agreement was amended to extend the maturity date to April 30, 2026. There was no outstanding balance on the line of credit at September 30, 2024 and 2023. YWCA did not draw from the line of credit in 2024 or 2023. The line of credit is secured by a first security interest in all business assets and a negative pledge on without restrictions endowment securities and certain properties.

## 8. LONG-TERM DEBT

Long-term debt consists of the following at September 30:

	2024	2023
On April 27, 2012, the YWCA entered into a 20-year note payable with a bank. This note requires monthly installments of \$3,881 which includes principal and interest. Interest is fixed at 4.99% for the first ten years and scheduled to reset on April 27, 2022 to the Federal Home Loan Bank 10/20 amortizing rate plus 3%, until maturity. The reset did not occur and the lending institution allowed the rate to remain at 4.99%. This note is secured by a first security interest in all business assets and a negative pledge on unrestricted endowment securities and three properties. Payments may be made in advance without penalty.	\$ 292,854	\$ 323,721
Less - current portion	<u>32,883</u>	<u>31,297</u>
Long-term debt	<u>\$ 259,971</u>	<u>\$ 292,424</u>

Aggregate maturities of long-term debt over the next five years are as follows:

2025	\$ 32,883
2026	34,550
2027	36,302
2028	38,143
2029	40,076
Thereafter	<u>110,900</u>
Total	<u>\$ 292,854</u>

## 9. RENOVATION PROJECT LOANS

In connection with the renovation of its One Salem Square property, the YWCA entered into the following renovation project loans. Renovation project loans consist of the following at September 30:

	2024	2023
On January 30, 2020, the YWCA entered into a \$4,100,000 grant bridge loan, 18-month note payable to a bank. Interest charged is fixed and based on the Federal Home Loan Bank of Boston rate as published 2 business days immediately prior to the note date plus 2 basis points. The interest rate charged may never be less than 4.25%. This note required monthly interest payments and matured on July 31, 2021. The maturity date was extended to December 30, 2023. The note is to be repaid with proceeds from contingent loans (see Note 10) and two \$100,000 Community Development Block Grants (CDBG). This note which was secured by all assets of the YWCA, was paid off in December 2023.	\$ -	\$ 136,191
On December 1, 2021, the YWCA entered into a \$500,000 5-year mortgage note with UMASS Memorial Health Care, Inc. Interest charged is fixed at 2% and the note required only annual interest payments starting December 1, 2022. The note matures on December 1, 2026 at which time the outstanding principal and any accrued interest will be due. The proceeds from this loan were used to pay down the capital campaign bridge loan. This note is secured by a second mortgage on the YWCA's real property and building located at One Salem Square, Worcester, Massachusetts.	334,304	424,492
On January 30, 2020, the YWCA entered into a \$750,000 7-year note payable to a bank. Interest charged is fixed and based on the Federal Home Loan Bank of Boston rate as published 2 business days immediately prior to the note date plus 2 basis points. The interest rate charged may never be less than 4.50% (4.50% at September 30, 2024). This note requires monthly interest payments and matures on January 30, 2027. This note is secured by all assets of the YWCA.	<u>750,000</u>	<u>750,000</u>
Total renovation project loans	1,084,304	1,310,683
Less - current portion	-	136,191
Less debt issuance costs	-	<u>1,492</u>
Renovation project loans, net of current portion and debt issuance costs	<u>\$ 1,084,304</u>	<u>\$ 1,173,000</u>

The renovation project loans, outstanding balance as of September 30, 2024, and any accrued interest will become due in full in 2027.

## 10. CONTINGENT LOANS

Effective July 5, 2019, the Commonwealth of Massachusetts through the Department of Early Education and Care awarded the YWCA a grant not to exceed \$1,000,000 for the reconfiguration and renovation of the early education center as part of the YWCA One Salem Square childcare renovation project to improve the early education program targeted to serve up to 147 children. This grant is not required to be repaid and no interest is due as long as the early education center continues to serve a minimum enrollment of 50% low-income children per described guidelines for at least 25 years. Total outstanding balance on this grant at September 30, 2024 and 2023 is \$1,000,000.

Effective May 13, 2019, the Commonwealth of Massachusetts through the Department of Housing and Community Development (DHCD) and the National Housing Trust Fund (HTF) awarded the YWCA a permanent mortgage loan for an amount not to exceed \$600,000 for the renovation of 47 units of rental housing, 12 of which are HTF assisted and will be reserved for individuals and families whose incomes are not higher than 30% of the area median. The loan term will be thirty years and may be extended under certain conditions with approval of the DHCD. The loan carries an interest rate determined by the developer and DHCD and may be the "applicable federal rate". The loan will be paid at maturity representing the balance of the loan, although DHCD reserves the right to require repayment of the HTF loan out of cash flow. Collateral for the loan is a mortgage and security agreement on the property included in the project. During 2023, \$60,000 was drawn on this loan and proceeds were used to pay down the capital campaign bridge loan (\$4,100,000) (see Note 9). There were no draws from this loan in 2024. Total outstanding balance on this loan at September 30, 2024 and 2023 is \$600,000. This loan is not required to be repaid and no interest is due until maturity as long as the YWCA continues to provide rental units to the population stipulated in the mortgage loan agreement.

Effective May 13, 2019, the Commonwealth of Massachusetts through the Department of Housing and Community Development (DHCD) and the Housing Innovations Fund Program (HIF) awarded the YWCA a permanent mortgage loan for an amount not to exceed \$1,000,000 for the renovation of 47 units of rental housing, all of which are HIF assisted. A minimum of 50% of the total units must be reserved for low-income individuals or families with household income below 80% of the area median and at least 50% of those units (25% total) must be reserved for extremely low-income individuals or families with household incomes below 30% of area median. The loan term will be thirty years and may be extended under certain conditions with approval of the DHCD. Collateral for the loan is a mortgage and security agreement on the property included in the project. On March 2, 2023, the mortgage loan agreement was amended to increase the total award to \$1,030,000. During 2023, \$130,000 was drawn from this loan to pay down the capital campaign bridge loan (\$4,100,000) (see Note 9). There were no draws from this loan during 2024. Total outstanding balance on this loan at September 30, 2024 and 2023 is \$1,030,000. This loan is not required to be repaid and no interest is due until maturity as long as the YWCA continues to provide rental units to the population stipulated in the mortgage loan agreement.

Effective May 13, 2019, the Commonwealth of Massachusetts through the Department of Housing and Community Development (DHCD) and the Housing Stabilization Fund Program (HSF) awarded the YWCA a permanent mortgage loan for an amount not to exceed \$1,000,000 for the renovation of 47 units of rental housing, all of which are HSF assisted. Six HSF assisted units will be reserved for individuals or families whose household income are no higher than 80% of the area median and 12 HSF assisted units will be reserved for individuals or families whose household incomes are no higher than 30% of area median. The loan term will be fifty years and may be extended under certain conditions with approval of the DHCD. Typically, there will be one payment due at maturity, in an amount representing the entire balance of the loan. Collateral for the loan is a mortgage and security agreement on the property included in the project. During 2024, \$100,000 was drawn from the loan to pay down the capital campaign bridge loan (\$4,100,000) (see Note 9). Total outstanding balance on this loan at September 30, 2024 and 2023 is \$1,000,000 and \$900,000, respectively. This loan is not required to be repaid and no interest is due until



## 10. CONTINGENT LOANS (CONTINUED)

maturity as long as the YWCA continues to provide rental units to the population stipulated in the mortgage loan agreement.

Effective January 9, 2020, the City of Worcester through the City of Worcester's HOME Investment Partnerships Program (HOME) awarded the YWCA a HOME grant up to \$300,000 to renovate the YWCA's housing program. The grant requires the YWCA to provide 11 affordable rental housing units for 20 years. The HOME affordable rental housing will be reserved for individuals or families whose household income are not higher than 60% of the HUD-adjusted median family income for the area. Also at least 20% of the units must be occupied by families with incomes that do not exceed 50% of the HUD-adjusted median. The incomes of the households receiving HUD assistance must not exceed 80% of the area median. HOME income limits are published each year by HUD. The HOME Investment Partnerships Program funding is secured by a grant agreement, mortgage and affordable housing restrictions. On March 2, 2023, the grant was amended to increase the total award to \$440,000. During 2024 and 2023, \$206,145 and \$233,855, respectively was drawn on this grant. Total outstanding balance on this loan at September 30, 2024 and 2023 is \$440,000 and \$233,855, respectively. This loan is not required to be repaid and no interest is due until maturity as long as the YWCA continues to provide rental units to the population stipulated in the mortgage loan agreement.

## 11. NET ASSETS

Net assets with donor restrictions were as follows for the year ended September 30:

	2024	2023
Restricted for purpose or time:		
Counseling services	\$ 11,730	\$ 9,157
Scholarship	14,002	5,696
Unrealized loss on temporarily restricted endowment	-	(249)
Realized and unrealized gains on permanent restricted endowment	533,163	231,472
Programs - other	761,643	581,215
Capital campaign (Note 18)	100,724	188,953
Fiscal sponsors	2,400	2,400
	<u>1,423,662</u>	<u>1,018,644</u>
Restricted into perpetuity:		
The Estate of Irene L. Piper endowment	260,108	260,108
The Estate of Eleanor F. Rowe endowment	198,242	198,242
The Turner endowment	20,023	20,023
The Dorothy B. Arms Trust endowment	48,317	48,317
	<u>526,690</u>	<u>526,690</u>
Total net assets with donor restrictions	<u>\$ 1,950,352</u>	<u>\$ 1,545,334</u>

Restricted into perpetuity net assets consist of the following endowments:

**The Estate of Irene L. Piper** endowment to be held as a permanent source of income. Dividend and interest income earned is restricted to providing scholarships for participants in YWCA programs.

## 11. NET ASSETS (CONTINUED)

**The Estate of Eleanor F. Rowe** endowment to be held as a permanent source of income. Income earned can be expended to provide counseling services for persons in need of psychiatric assistance.

**The Turner** endowment to be held as a permanent source of income. Income generated from the investment holdings is available for scholarships at the discretion of YWCA.

**The Dorothy B. Arms Trust** endowment to be held as a permanent source of income. Income generated from the investment holdings is without restrictions and disbursed at the discretion of YWCA.

Net assets released from net assets with donor restrictions are as follows for the year ending September 30:

	2024	2023
Scholarships	\$ 7,000	\$ 7,000
Counseling services	5,000	5,000
Programs - other	279,918	935,856
Capital campaign	98,788	341,406
Capital improvements	-	76,903
Fiscal sponsors	-	184,169
	<u>\$ 390,706</u>	<u>\$ 1,550,334</u>

## 12. CONCENTRATION OF CREDIT RISK

YWCA receives a significant portion of its total revenues and other support from governmental unit-rates and cost reimbursement contracts.

YWCA recognizes funding from the following major sources at September 30:

	2024		2023	
	% of Total revenues and other support	% of Total program service fees receivable and/or other accounts receivable	% of Total revenues and other support	% of Total program service fees receivable and/or other accounts receivable
Department of Public Health	21%	25%	23%	18%
Child Care Resources	14%	**	11%	**
Fred Harris Daniels Foundation	**	**	**	16%
Executive Office of Housing and Economic Development	**	18%	**	**
Department of Early Education and Care	20%	**	19%	**

\*\* Not greater than 10%

### **13. PENSION PLAN**

YWCA participates in a multiple employer cash balance defined benefit plan for its employees. The plan is administered and maintained by the YWCA Retirement Fund, Inc. (the Fund). Employees are eligible to participate when they have provided 1,000 hours of service each year in two twelve-month periods. Optional payments into the plan by employees are allowed up to 10% of annual compensation, subject to Internal Revenue Code regulations.

The Fund requires YWCA to contribute a percentage of eligible employees' annual compensation. During fiscal year 2024 and 2023, YWCA elected to contribute 5% of eligible employees' annual compensation. In addition to the YWCA's contribution, the Fund contributed 2% of the employees' annual compensation, based upon the percentage elected by YWCA. All contributions vest immediately.

YWCA's policy is to fund retirement costs as they are incurred. Retirement expense was \$158,048 and \$159,246 in 2024 and 2023, respectively. These expenses are included in employee benefits in the accompanying financial statements.

### **14. FINANCING LEASE**

In September 2020, YWCA entered into a financing lease agreement for fitness equipment. The lease term was four years and expired in August 2024 when the balance was paid off. The lease required monthly payments of \$389.

The aggregate cost of the equipment as of September 30, 2024 and 2023 is \$16,565, which is reported as a component of Worcester - property and equipment. The net book value of the equipment as of September 30, 2024 and 2023 is \$0 and \$4,141, respectively. Depreciation expense on the fitness equipment was \$4,141 during 2024 and 2023.

### **15. FAIR VALUE MEASUREMENTS**

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

- Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the YWCA has the ability to access.
- Level 2: Inputs other than prices quoted in Level 1, such as prices quoted for similar financial assets and liabilities in active markets, prices for identical assets and liabilities in markets that are not active or other inputs that are observable or can be corroborated by observable market data.
- Level 3: Inputs to the valuation method are unobservable and significant to the fair value measurement.

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

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at September 30, 2024 and 2023.

## 15. FAIR VALUE MEASUREMENTS (CONTINUED)

*Money market:* valued at the closing price reported on the active market on which the individual securities are traded.

*Certificate of deposit:* valued at the most recent closing price reported in U.S. and foreign financial markets where market trading is less frequent than daily.

*Exchange-traded funds:* valued at the net asset value of shares held by YWCA at year end as reported on the active market on which the shares are traded.

The following items are measured at fair value on a recurring basis at September 30, 2024:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market	\$ 277,992	\$ -	\$ -	\$ 277,992
Exchange-traded funds:				
Diversified	1,167,539	-	-	1,167,539
Other	447,740	-	-	447,740
Bonds	865,224	-	-	865,224
Total exchange-traded funds	2,480,503	-	-	2,480,503
	<u>\$ 2,758,495</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,758,495</u>

The following items are measured at fair value on a recurring basis at September 30, 2023:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market	\$ 133,195	\$ -	\$ -	\$ 133,195
Certificate of deposit	-	106,751	-	106,751
Exchange-traded funds:				
Communications	18,949	-	-	18,949
Consumer	79,799	-	-	79,799
Technology	141,353	-	-	141,353
Health	71,958	-	-	71,958
Diversified	119,228	-	-	119,228
Materials	7,463	-	-	7,463
Real Estate	6,936	-	-	6,936
Energy	29,377	-	-	29,377
Industrial	41,430	-	-	41,430
Infrastructure	3,476	-	-	3,476
Utilities	13,386	-	-	13,386
Financial	60,868	-	-	60,868
Other	168,953	-	-	168,953
Bonds	1,076,642	-	-	1,076,642
Total exchange-traded funds	1,839,818	-	-	1,839,818
	<u>\$ 1,973,013</u>	<u>\$ 106,751</u>	<u>\$ -</u>	<u>\$ 2,079,764</u>

## 16. AVAILABILITY AND LIQUIDITY

The following represents the YWCA's financial assets at September 30, 2024:

Financial assets at year end:

Cash, cash equivalents and restricted cash	\$ 1,734,115
Program service fees receivable	1,066,706
Other accounts receivable	467,052
Investments	<u>2,758,495</u>

Total financial assets	<u>6,026,368</u>
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Less amounts not available to be used within one year:

Net assets with donor restrictions	1,950,352
Less net assets with purpose restrictions to be met in less than a year	<u>(1,423,662)</u>

526,690

Financial assets available to meet general expenditures  
over the next twelve months

\$ 5,499,678

YWCA's goal is generally to maintain financial assets to meet 90 days of operating expenses (approximately \$2,145,000). Additionally, YWCA has a \$750,000 line of credit available to meet cash flow needs.

## 17. FISCAL SPONSOR

YWCA agreed to serve as the fiscal sponsor for the Worcester Voter Registration Initiative in November 2020 and Healthy Greater Worcester in June 2015. The YWCA maintains legal and fiduciary responsibilities for all activities of the organizations it serves as fiscal sponsor. As part of the agreements, the YWCA charges a fee as compensation for the sponsorship services which is calculated at 10% of each organization's total actual revenue for the year. Fiscal sponsorship agreement was terminated for Healthy Greater Worcester as of September 30, 2022, but remaining cash was not determined and distributed until 2023. There was no revenue for these programs during 2024 and 2023. Total expense for these programs during 2024 and 2023 amounted to \$0 and \$184,169, respectively. A total of \$2,400 is included as restricted for purpose or time net assets for these programs as of September 30, 2024 and 2023.

## 18. CAPITAL CAMPAIGN

During 2017, YWCA embarked on a \$7,500,000 capital campaign to renovate its One Salem Square location in downtown Worcester. The total project cost was budgeted at approximately \$23,500,000. Planned funding for the total project included not only the capital campaign contributions, but also federal new market and historic tax credits, state historic tax credits, grants from the Commonwealth of Massachusetts and the City of Worcester, funds from the Commonwealth's Department of Housing and Community Development, and a mortgage (see Note 3). During 2024 and 2023, a total of \$10,559 and \$76,130 was raised in contributions and pledges towards the capital campaign. Total contributions and pledges net of unamortized discount was \$10,559 and \$81,775 in 2024 and 2023, respectively. The renovation construction project was completed in January 2021. As of September 30, 2024 and 2023, a total of \$7,398,650 and \$7,388,091, excluding the unamortized discount, has been raised for the capital campaign.

**18. CAPITAL CAMPAIGN (CONTINUED)**

YWCA incurred significant expenses associated with the planning and construction stages of the renovation project. A total of \$59,996 in renovation and capital campaign expenses were incurred in 2023. The renovation and capital expenses incurred in 2023 is reported as renovation and capital campaign expenses in the statements of functional expenses for the year ended September 30, 2023. There were no reported renovation and capital campaign expenses in 2024.

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