

Young Women's Christian Association of Boston, Inc.

Financial Statements

December 31, 2024

Young Women's Christian Association of Boston, Inc.

December 31, 2024

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Independent Auditor's Report

To the Board of Trustees
Young Women's Christian Association of Boston, Inc.

Opinion

We have audited the accompanying financial statements of Young Women's Christian Association of Boston, Inc. (the Organization), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2024, and the changes in its net assets and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

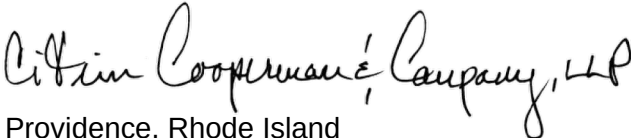
Auditor's Responsibilities for the Audit of the Financial Statements

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



Providence, Rhode Island

June 4, 2025

Young Women's Christian Association of Boston, Inc.

Statement of Financial Position

December 31, 2024

Current assets

Cash	\$ 515,461
Current portion of contributions receivable	45,000
Accounts receivables	95,039
Prepaid expenses	12,695

Total current assets	<u>668,195</u>
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Property and equipment, net	<u>62,770</u>
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Other assets

Contributions receivable, net of current portion and discount	199,366
Investments	33,968,063
Operating lease, right-of-use assets, net	1,069,367
Beneficial interest in perpetual trusts	42,993

Total other assets	<u>35,279,789</u>
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Total assets	<u><u>\$ 36,010,754</u></u>
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Liabilities and net assets

Current liabilities

Current portion of lease liability	\$ 124,708
Accounts payable and accrued expenses	177,863
Deferred revenue	162,614

Total current liabilities	<u>465,185</u>
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Long-term lease liability, less current portion	<u>1,100,791</u>
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Commitments and contingencies (Notes 10 and 13)

Net assets

Without donor restrictions

Board designated	29,839,688
Undesignated	2,052,727

Total net assets without donor restrictions	<u>31,892,415</u>
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With donor restrictions	2,552,363
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Net assets	<u><u>34,444,778</u></u>
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Total liabilities and net assets	<u><u>\$ 36,010,754</u></u>
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See accompanying notes to the financial statements.

Young Women's Christian Association of Boston, Inc.

Statement of Activities

For the year ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Operating revenue and support			
Special events revenue	\$ 376,699	\$ -	\$ 376,699
Less: cost of direct benefit to donor	(129,815)	-	(129,815)
Net special events revenue	246,884	-	246,884
Foundation and corporate contributions	422,149	10,000	432,149
Government grant revenue	252,615	-	252,615
Individuals' contributions	117,716	-	117,716
In-kind donation	59,908	-	59,908
Fees for service revenue	1,079,061	-	1,079,061
Appropriation from endowment	1,529,954	-	1,529,954
Net assets released from restriction	278,333	(278,333)	-
Total operating revenue and support	3,986,620	(268,333)	3,718,287
Expenses			
Program expenses			
DEI Services	2,612,955	-	2,612,955
FYRE Girls Program	487,110	-	487,110
General and administrative	558,215	-	558,215
Fundraising	470,647	-	470,647
Total expenses	4,128,927	-	4,128,927
Changes in net assets from operations	(142,307)	(268,333)	(410,640)
Non-operating revenue (losses)			
Net non-endowment investment return	93,102	-	93,102
Appropriation from endowment	(1,529,954)	-	(1,529,954)
Net endowment investment return	2,703,003	45,203	2,748,206
Change in beneficial interest in perpetual trust	-	3,663	3,663
Total non-operating revenue	1,266,151	48,866	1,315,017
Changes in net assets	1,123,844	(219,467)	904,377
Net assets at beginning of year	30,768,571	2,771,830	33,540,401
Net assets at end of year	<u>\$ 31,892,415</u>	<u>\$ 2,552,363</u>	<u>\$ 34,444,778</u>

See accompanying notes to the financial statements.

Young Women's Christian Association of Boston, Inc.

Statement of Functional Expenses

For the year ended December 31, 2024

	Program Services						
	DEI Services	FYRE Girls Program	Total Program Services	General and Administrative	Fundraising	Direct Benefit to Donors	Total Expenses
Salaries	\$ 1,812,031	\$ 302,775	\$ 2,114,806	\$ 265,862	\$ 314,514	\$ -	\$ 2,695,182
Payroll taxes and employee benefits	343,284	57,360	400,644	50,367	59,584	-	510,595
Professional fees	159,292	11,669	170,961	197,254	39,660	-	407,875
Occupancy	120,548	20,143	140,691	17,687	20,924	76,185	255,487
Insurance	12,521	2,092	14,613	1,838	2,173	-	18,624
Advertising	10,408	-	10,408	-	-	-	10,408
Travel and meetings	43,615	3,829	47,444	2,503	4,750	53,630	108,327
Information technology	80,892	13,516	94,408	12,343	8,952	-	115,703
Supplies and office expense	12,901	2,808	15,709	2,543	17,059	-	35,311
National dues	-	-	-	5,256	-	-	5,256
Depreciation	17,463	2,918	20,381	2,562	3,031	-	25,974
Provision for losses on accounts receivables	-	70,000	70,000	-	-	-	70,000
	2,612,955	487,110	3,100,065	558,215	470,647	129,815	4,258,742
Less: expenses included with revenues on the statement of activities	-	-	-	-	-	(129,815)	(129,815)
	\$ 2,612,955	\$ 487,110	\$ 3,100,065	\$ 558,215	\$ 470,647	\$ -	\$ 4,128,927

See accompanying notes to the financial statements.

Young Women's Christian Association of Boston, Inc.

Statement of Cash Flows

For the year ended December 31, 2024

Cash flows from operating activities

Changes in net assets \$ 904,377

Adjustments to reconcile changes in net assets to net cash used in operating activities

Depreciation 25,974
Provision for losses on accounts receivable 70,000
Net realized and unrealized gains on investments (2,076,780)
Change in beneficial interest in perpetual trust (3,663)
Noncash operating lease expense (2,766)

Changes in operating assets and liabilities

Contributions receivable 202,097
Accounts receivable (5,098)
Prepaid expenses 2,110
Accounts payable and accrued expenses (141,208)
Deferred revenue 132,483

Net cash used in operating activities (892,474)

Cash flows from investing activities

Proceeds from sale of investments 8,838,390
Purchase of investments (7,772,992)

Net cash provided by investing activities 1,065,398

Net increase in cash 172,924

Cash at beginning of year 342,537

Cash at ending of year \$ 515,461

See accompanying notes to the financial statements.

Young Women's Christian Association of Boston, Inc.

Notes to the Financial Statements

December 31, 2024

1. DESCRIPTION OF ORGANIZATION

Young Women's Christian Association of Boston, Inc. (the Organization), a nonprofit organization, known today as "YW Boston", was founded in 1866 by abolitionists and suffragists to serve the needs of women in Greater Boston. As the first YWCA in the nation, the Organization has been at the forefront of advancing social equality for 150 years. The Organization shares its mission statement with all other YWCA affiliates nationwide: to eliminate racism, empower women and promote peace, justice, freedom and dignity for all. Today, the Organization helps individuals and organizations create more inclusive environments where women, people of color and especially women of color can succeed.

YW Boston operates the following programs:

- *DEI Services (including LEAD Boston and Inclusion Boston programs)* - engages organizations in long-term partnerships to create unique solutions to a variety of diversity, equity, and inclusion challenges. Using a customized and measurable change management process and range of training and services, YW Boston's DEI Services help organizations create the necessary cultural shifts that will support inclusive policies and practices. YW Boston's evidence-based approach builds internal capacity and a plan for cultural change while supporting organizations every step of the way.
- *Girls Leadership Program (F.Y.R.E)* - this program empowers participants to effect change for themselves and the organizations with which they are affiliated.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation - The financial statements of the Organization have been prepared using the accrual basis of accounting in accordance with guidance under accounting principles generally accepted in the United States of America (U.S. GAAP). Accordingly, the accounts of the Organization are reported in the following net asset categories:

Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor (or certain grantor) stipulations or time restrictions.

Net Assets With Donor Restrictions - Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, whereby the donor stipulates that resources be maintained in perpetuity.

Young Women's Christian Association of Boston, Inc.

Notes to the Financial Statements

December 31, 2024

Use of estimates - The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash - Highly liquid investments with maturities at date of purchase of three months or less are classified as cash equivalents, except short-term investments that are managed by external investment managers as part of their long-term strategies. At December 31, 2024, the Organization had no cash equivalents.

The Organization maintains its cash accounts in a bank deposit account, which, at times may exceed federally insured limits. The Organization has not experienced any losses in such accounts. The Organization believes it is not exposed to any significant credit risk related to cash.

Accounts receivable - Accounts receivable are stated at the amount that management expects to collect. The Organization assesses collectability by reviewing accounts receivable on a collective basis where similar risk characteristics exist. In determining the amount of the allowance for doubtful accounts, management considers historical collectability and makes judgments about the creditworthiness of the pool of customers based on credit evaluations. Current market conditions and reasonable and supportable forecasts of future economic conditions adjust the historical losses to determine the appropriate allowance for doubtful accounts. Uncollectible accounts are written off when all collection efforts have been exhausted.

Under the prior accounting rules, the Organization evaluated the following factors when determining the collectability of specific customer accounts: customer creditworthiness, past transaction history with the customer, current economic industry trends, and changes in customer payment terms.

At December 31, 2024, management believes all outstanding balances are fully collectible, and therefore, no allowance for doubtful accounts was recorded.

Accounts receivable totaled \$95,039 and \$159,941 at December 31, 2024 and 2023, respectively.

Fair value measurements - Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, *Fair Value Measurement*, establishes a framework for measuring fair value. That framework 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). Categorization within the valuation hierarchy is based upon the lowest level of 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. Under the standard, fair value is defined as the exit price, or the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants as of the measurement date.

Young Women's Christian Association of Boston, Inc.

Notes to the Financial Statements

December 31, 2024

The three levels of the fair value hierarchy are described as follows:

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

Level 2 inputs to the valuation methodology include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; and, inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

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

The Organization has adopted accounting guidance permitting beneficial interest in perpetual trusts to be valued using net asset value (NAV) as a practical expedient. As a result of applying this practical expedient, the beneficial interest in perpetual trust is measured at NAV per unit, as determined by the trustee. The NAV is used as a practical expedient to estimate fair value and is based on the fair value of the underlying fund, less its liabilities. This practical expedient is not used when it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV.

Endowment and investments - The investment portfolio consists of board designated endowment, donor restricted endowments and non-endowment investments. Investments in marketable securities and primarily mutual funds are stated at fair value as established by major securities markets and are pooled for investment purposes. Interest, dividends and mutual fund distributions are recorded when earned. Gains and losses are recognized as incurred or based on market value changes during the period. Investment return on the endowment is reported on the statement of activities as "net endowment return." Investment return on non-endowment investments is reported on the statement of activities as "net non-endowment return."

Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is possible that changes in values of investment securities could occur in the near term and such changes could materially affect investments. Net investment return on donor restricted endowment funds is recorded as "net assets with donor restrictions" in accordance with state law. Net investment returns on the remaining investment portfolio are recorded as "net assets without donor restrictions." When a donor restriction exists, net investment return is allocated based on the total balance of pooled investments applicable to the respective asset totals.

Young Women's Christian Association of Boston, Inc.

Notes to the Financial Statements

December 31, 2024

The Board has interpreted Massachusetts General Law as requiring net investment return of donor restricted net assets to be retained as net assets with donor restrictions classification until appropriated by the Board and expended. Massachusetts General Law allows the Board to appropriate for expenditure or accumulate so much of an endowment fund as is prudent for the uses, benefits, purposes and duration for which the endowment fund is established. This includes underwater endowments. In making a determination whether to appropriate or accumulate, the Organization shall act in good faith, with the care that an ordinary person in a like position would exercise under similar circumstances and shall consider the following factors: the duration and preservation of the endowment fund; the purposes of the Organization and the endowment fund; general economic conditions; the possible effect of inflation or deflation; the expected total return from income and the appreciation of investments; other resources of the Organization; and the investment policy of the Organization.

The Organization has adopted a policy for endowment investments of appropriating for distribution each year of up to 4.5% of the average market value of the investments, based on the prior 20 rolling quarters ending September each year. During the year ended December 31, 2024, and anticipated through 2025, the Organization voted to temporarily increase the appropriations for distribution to 5.5%. The Organization has adopted investment and spending policies for invested funds that attempt to provide a predictable stream of funding for operations while seeking to maintain the assets. The current investment policy was implemented as of March 2022 and amended in March 2024, and as such the Organization has not yet attained a full 20 quarters of rolling information. Until the point in time where the Organization reaches a full 20 quarters of rolling data, the appropriation of investment income will be calculated by using the data from the first four quarters, and subsequent quarters.

Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity. Under this investment policy, as approved by the Board of Directors, the donor-restricted endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of the S&P 500 index while assuming a moderate level of investment risk. The Organization expects its donor-restricted funds, over time, to provide an average rate of return of approximately 7%. Actual returns in any given year may vary from this amount.

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Based on the Organization's spending guidelines, \$1,529,954 was utilized for operations for the year ended December 31, 2024, and appropriated from the Board-designated endowment fund.

Beneficial interest in perpetual trust - The Organization is the income beneficiary of a charitable trust (the trust) under an irrevocable agreement, the assets of which are held by a bank with a trustee having responsibility for both its administration and investment. The trust is restricted in perpetuity.

Young Women's Christian Association of Boston, Inc.

Notes to the Financial Statements

December 31, 2024

Property and equipment - Property and equipment acquisitions are recorded at cost. Real estate, buildings and equipment are carried at historical cost or, if donated, at the fair value on the date of the contribution. Minor renovations and repairs are charged to operations as incurred. Depreciation of property and equipment is computed on a straight-line basis over the estimated useful lives of the assets which are five years.

Impairment of long-lived assets - The Organization accounts for the valuation of long-lived assets, including its right-of-use assets, in accordance with the FASB Topic, *Property, Plant, and Equipment*. The FASB ASC Topic, *Property, Plant and Equipment*, requires that long-lived assets be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of the long-lived asset is measured by a comparison of the carrying amount of the asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the estimated fair value of the assets. Assets to be disposed of are reportable at the lower of the carrying amount or fair value, less costs to sell. At December 31, 2024, the Organization has determined that no long-lived assets are impaired.

Revenue recognition and deferred revenue - The Organization recognizes program revenue under ASC Topic 606, *Revenue from Contracts with Customers* (Topic 606), which requires an entity to recognize the amount of revenue which it expects to be entitled for the transfer of promised goods or services to customers. The five-step model required for recognizing revenue from contracts with customers is as follows:

- Identify the contract with a customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract
- Recognize revenue when or as performance obligations are satisfied

Revenue is recognized when promised goods or services are transferred to the customer in an amount that reflects the consideration expected in exchange for those goods or services. The Organization has identified a performance obligation associated with the provisions of its educational instruction and leadership programs and uses the output measure for recognition as the period of time in which the services are performed. Revenues from workshop related program activities are recognized at a point in time, when the related program is held. Payments received prior to the start of the educational instruction and leadership programs are recorded as deferred revenue, to be recognized as revenue as performance obligations are satisfied.

Young Women's Christian Association of Boston, Inc.

Notes to the Financial Statements

December 31, 2024

Total revenue recognized in accordance with Topic 606 at a point in time and over time was as follows for the year ended December 31, 2024:

Fee for service revenue recognized over time	\$ 438,492
Fee for service revenue recognized at a point in time	640,569
Total fee for service revenue	<u>\$ 1,079,061</u>

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions.

Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or law. Expirations of net assets with donor restrictions on net assets, that is, the donor-imposed stipulated purpose has been accomplished and/or the stipulated time period has elapsed, are reported as reclassifications between applicable classes of net assets.

Grants and contributions - Grants and contributions, including unconditional promises to give, are recognized as revenues in the period the promise is received. Conditional promises to give are not recognized until they become unconditional, that is, at the time when the conditions on which they depend are substantially met. Grants and contributions of assets other than cash are reported at their estimated fair value. Restricted contributions of assets other than cash are released from restriction when the asset is placed in service. Grants and contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risk involved. Amortization of the discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the grants and contributions.

The Organization reports gifts of cash and other assets as donor-restricted support if they are unconditionally received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, 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 accompanying statement of activities as "Net assets released from restrictions." Donor restricted contributions received and satisfied in the same period are included in net assets without donor restrictions.

The Organization reports contributions of land, building and equipment as net assets without donor restrictions unless the donor places restrictions on their use. Contributions of cash or other assets used to acquire or construct long-lived assets are reported as *net assets without donor restrictions* to the extent the funds have been expended for the stipulated acquisition or construction; or when the asset has been placed into service, otherwise, the contributions are reported as "net assets with donor restrictions."

Young Women's Christian Association of Boston, Inc.

Notes to the Financial Statements

December 31, 2024

In-kind contributions - Donated goods are recorded as contributions at fair value at the date of the donation. Donated services are recorded as contributions at fair value at the date services are performed if the services required specialized skills which would otherwise be purchased by the Organization and are based upon the number of hours and blended rate of pay. In-kind contributions, comprised of donated services, totaled \$59,908 for the year ended December 31, 2024, which is included as "In-kind donation" in the accompanying statement of activities, and within "Professional fees" in the accompanying statement of functional expenses.

Measurement of operations - The statement of activities reports all changes in net assets. The Organization's operating activities consist of those items attributable to the Organization's ongoing services and activities. Non-operating activities reflects all other activity, including but not limited to net non-endowment and net endowment investment return and change in beneficial interest in perpetual trust.

Functional allocation of expenses - The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The expenses that are allocated include the following:

Expense	<u>Method of Allocation</u>
Salaries	Time and effort
Payroll taxes and employee benefits	Time and effort
Information technology	Usage
Interest	Usage
Depreciation	Square footage

Advertising - The Organization expenses advertising costs as they are incurred. Advertising expense for the year ended December 31, 2024, totaled \$10,408.

Income taxes - The Organization is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) and, accordingly, no provision for income taxes has been recorded in the accompanying financial statements. The Organization is subject to federal and state income taxes on unrelated business income, if any. The Organization files informational tax returns as required by the IRC.

The Organization accounts for uncertain tax positions in accordance with FASB ASC Topic, 740 *Income Taxes*. This topic prescribes a recognition threshold and measurement process for financial statement recognition of uncertain tax positions taken or expected to be taken in a tax return. This topic also provides guidance on recognition, derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. At December 31, 2024, management believes that the Organization has no material uncertain tax positions.

Young Women's Christian Association of Boston, Inc.

Notes to the Financial Statements

December 31, 2024

Subsequent events - The Organization has evaluated subsequent events through June 4, 2025, the date on which these financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these financial statements.

3. LIQUIDITY AND AVAILABILITY

The following represents the Organization's financial assets as of December 31, 2024:

Cash	\$ 515,461
Contributions receivable	244,366
Accounts receivables	95,039
Investments	33,968,063
Beneficial interest in perpetual trusts	42,993
Total financial assets at year end	<u>34,865,922</u>
Less amounts not available to be used within one year:	
Board designated net assets	29,839,688
Net assets with donor restrictions	2,552,363
Financial assets available to meet general expenditure over the next twelve months	<u>\$ 2,473,871</u>

As part of management's liquidity plan, cash is maintained in a checking account and is readily available for use. Additionally, the Organization has a board-designated endowment totaling \$29,839,688 at December 31, 2024.

4. CONTRIBUTIONS RECEIVABLE

Contributions receivable consisted of the following as of December 31, 2024:

Amounts due in:

Less than one year	\$ 45,000
Two to five years	225,000
Less: unamortized discount	(25,634)
	<u>\$ 244,366</u>

Young Women's Christian Association of Boston, Inc.

Notes to the Financial Statements

December 31, 2024

5. BENEFICIAL INTEREST IN PERPETUAL TRUST

The Organization has a beneficial interest in a charitable trust managed by a third-party trustee. Perpetual trusts provide for the distribution of the net income of the trust to the Organization; however, the Organization will never receive the assets of the trust. Distributions are made to the Organization at least annually according to the trustee's spending policy.

The net asset value of the Organization's beneficial interest in perpetual trust is based on the Organization's proportionate share of all assets held by the trustee and the fair value of the underlying investments, as reported by the trustee. Investments that are measured at fair value using NAV per share as a practical expedient are not classified in the fair value hierarchy.

6. INVESTMENTS

Assets measured at fair value are based on one or more of the following valuation techniques:

- a. *Market approach*: Prices and other relevant information generated by the market transactions involving identical or comparable assets or liabilities;
- b. *Cost approach*: Amount that would be required to replace the service capacity of an asset (replacement cost); and
- c. *Income approach*: Techniques to convert future amounts to a single present amount based on market expectations (including present value techniques, option-pricing and excess earnings models).

Young Women's Christian Association of Boston, Inc.

Notes to the Financial Statements

December 31, 2024

At December 31, 2024, a summary of the Organization's investments is as follows:

	Level 1	Level 2	Total	Valuation Technique
Money market funds	\$ 2,160,749	\$ -	\$ 2,160,749	(a)
ETFs, index funds	219,091	-	219,091	(a)
Corporate bonds:				
AAA	-	723,817	723,817	(a)
AA+	-	48,349	48,349	(a)
AA	-	400,971	400,971	(a)
AA-	-	546,757	546,757	(a)
A+	-	1,565,094	1,565,094	(a)
A	-	1,068,140	1,068,140	(a)
A-	-	691,503	691,503	(a)
BBB+	-	1,752,087	1,752,087	(a)
BBB	-	1,476,856	1,476,856	(a)
	-	8,273,574	8,273,574	
Government bonds:				
AA+	-	2,069,509	2,069,509	(a)
	-	2,069,509	2,069,509	
Municipal bonds:				
A+	-	398,804	398,804	(a)
	-	398,804	398,804	
Common stock:				
Communication services	1,248,752	-	1,248,752	(a)
Consumer discretionary	1,206,142	-	1,206,142	(a)
Consumer staples	924,098	-	924,098	(a)
Financial services	1,640,687	-	1,640,687	(a)
Healthcare	1,340,985	-	1,340,985	(a)
Industrial goods	1,337,307	-	1,337,307	(a)
Materials	530,568	-	530,568	(a)
Real estate	481,514	-	481,514	(a)
Technology	4,120,538	-	4,120,538	(a)
Utilities	227,953	-	227,953	(a)
Total	13,058,544	-	13,058,544	
International funds	4,585,774	-	4,585,774	(a)
Mutual funds	3,202,018	-	3,202,018	(a)
Total	\$ 23,226,176	\$ 10,741,887	\$ 33,968,063	

Young Women's Christian Association of Boston, Inc.

Notes to the Financial Statements

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Level 1 investments owned by the Organization and listed on a National Securities Exchange are valued at the last recorded sales price as of the financial statement reporting date or, in the absence of recorded sales, at the last quoted bid price reported as of the financial statement reporting date.

Level 2 investment values are determined by obtaining nonbinding market prices from the Organization's third-party portfolio managers as of the financial statement reporting date. These investments are less actively traded in the market, but quoted market prices exist for similar instruments that are actively traded.

There were no Level 3 investments as of December 31, 2024.

The following is a summary of investment return as of December 31, 2024:

	Without Donor Restrictions	With Donor Restrictions	Total
Net realized and unrealized gains	\$ 2,073,060	\$ 3,720	\$ 2,076,780
Income from investments consisting of dividends, interest and capital gains	828,220	52,370	880,590
Investment fees	(105,175)	(10,887)	(116,062)
Total	\$ 2,796,105	\$ 45,203	\$ 2,841,308

7. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31, 2024:

Furniture and fixtures	\$ 129,869
Less: accumulated depreciation and amortization	(67,099)
Property and equipment, net	\$ 62,770

8. ENDOWMENT

The Organization's endowment consists of five individual funds established for a variety of purposes, which include donor restricted endowment funds and funds designated by the Board to function as endowments.

Young Women's Christian Association of Boston, Inc.

Notes to the Financial Statements

December 31, 2024

Changes in the Organization's endowment net assets with donor restrictions consist of the following for the year ended December 31, 2024, are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 28,666,320	\$ 2,184,489	\$ 30,850,809
Investment return, net:			
Interest and dividends	732,385	52,370	784,755
Investment expenses	(102,123)	(10,887)	(113,010)
Investment gain (realized and unrealized), net	2,073,060	3,720	2,076,780
Total investment return	2,703,322	45,203	2,748,525
Appropriations for expenditure	(1,529,954)	-	(1,529,954)
Endowment net assets, end of year	\$ 29,839,688	\$ 2,229,692	\$ 32,069,380

9. LINE OF CREDIT

Through June 21, 2024, the Organization had a \$500,000 line of credit agreement with a bank which bore interest at 6.00%. The line was secured by all business assets. The line must be paid to zero over a period of no less than 30 consecutive days in each successive annual period.

10. LEASE COMMITMENTS

The Organization leases an office facility for minimum monthly rent payments ranging from \$12,499 to \$15,177 under a long-term, non-cancelable operating lease agreement expiring in December 2032. The weighted-average lease term is nine years, and the average discount rate is 3.06%.

At December 31, 2024, the Organization's future minimum payments on operating leases, including interest, are as follows:

Year Ending December 31:	Amount
2025	\$ 160,457
2026	164,180
2027	167,902
2028	171,624
2029	175,347
Thereafter	548,376
Net minimum lease payments	1,387,886
Less: interest	(162,387)
Present value of lease liabilities	1,225,499
Less: current portion	(124,708)
Lease liabilities, net of current portion	\$ 1,100,791

Young Women's Christian Association of Boston, Inc.

Notes to the Financial Statements

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Rent expense for the year ended December 31, 2024, totaled \$153,969 and is included in "Occupancy" in the accompanying statement of functional expenses.

11. NET ASSETS WITH DONOR RESTRICTIONS

At December 31, 2024, net assets with donor restrictions are restricted for the following purposes:

Subject to expenditure for specified purpose:

Program activities	\$ 9,678
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Subject to passage of time:

Grants and contributions receivable	270,000
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Endowments

Brown	807,924
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Bryant	168,430
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Webber	610,078
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Other	185,694
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Total	1,772,126
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Subject to endowment spending policy and appropriation	457,566
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Not subject to spending policy or appropriation:

Beneficial interest in perpetual trust	42,993
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Total	\$ 2,552,363
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Net assets were released from donor restrictions by incurring expenses, satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors, as follows for the year ended December 31, 2024:

Expiration of time restrictions	\$ 178,333
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Satisfaction of purpose restrictions	100,000
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Program activities	\$ 278,333
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Young Women's Christian Association of Boston, Inc.

Notes to the Financial Statements

December 31, 2024

12. PENSION PLAN

The Organization is a participating employer sponsor of the YWCA Retirement Fund, Inc. (the Fund), a multiple employer cash balance defined benefit plan. The plan annually elects to contribute up to 10% of eligible employees' annual compensation. For the year ended December 31, 2024, the Organization elected to contribute 5%. Employees are eligible when they provide 1,000 hours of service each year for two years. Effective January 1, 2025, employees are eligible when they provide 1,000 hours of service for one year of employment. Optional payments by employees are allowed up to 10% of annual compensation, which vest immediately. The Organization's contributions are fully vested immediately. The actuarial present value of the benefit obligation and fair value of plan assets are not available separately for each employer that participates in the plan.

The Organization's policy is to fund pension costs as they are incurred. Pension expense was \$97,538 for the year ended December 31, 2024. This expense is included in "Payroll taxes and employee benefits" in the accompanying financial statements. As a participating employer sponsor, the only obligation of the Organization is to make contributions on behalf of its employees. All other obligations associated with this plan are the responsibility of the national organization.

13. CONTINGENCIES

Employee Retention Tax Credit - The Employee Retention Tax Credit (ERTC), as it existed under the CARES Act, was not available to taxpayers that received a Paycheck Protection Program (PPP) loan. Provisions in the Consolidated Appropriations Act (the CAA), which was signed into law on December 27, 2020, removed this restriction and allowed organizations that qualify for the ERTC to retroactively apply for the ERTC so long as the same wages are not used for both PPP loan forgiveness and the ERTC.

U.S. GAAP does not contain authoritative guidance related to refundable tax credits. Absent authoritative accounting standards, interpretive guidance issued and commonly applied by financial statement preparers allows the analogy to alternative guidance. Management has determined that the ERTC is a type of government assistance (government grant). FASB ASC 958-605, *Not-for-Profit Entities: Revenue Recognition* (ASC 958), is utilized in accounting for government grants. Under ASC 958, grant revenue is recognized as revenue in the period received in the form of assets or decreases of liabilities (expenses) and when all conditions of the grant are met.

Management has determined that the Organization is eligible for and has met all the necessary conditions to qualify for the ERTC for various quarters during 2020 and 2021. In 2022, the Organization submitted amended quarterly payroll tax returns claiming to recover \$128,030 and \$324,931 of ERTC related to various quarters in 2020 and 2021, respectively. Upon receipt of the full amount in 2023, the Organization recognized \$452,961 as revenue.

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Notes to the Financial Statements

December 31, 2024

If it is determined that the Organization was not eligible to receive the ERTC or that the Organization has not adequately complied with the regulations of the program, the Organization could be subject to penalties and could be required to repay the ERTC.

Litigation - The Organization is, at times, subject to a variety of suits and proceedings arising in the ordinary course of business. In the opinion of management, no litigation, individually or in the aggregate, currently pending or to the knowledge of the Organization, threatened against it will result in a material adverse effect on its financial condition.