

Young Women's Christian Association of Boston, Inc.

Financial Statements

December 31, 2025

Young Women's Christian Association of Boston, Inc.

December 31, 2025

Table of Contents

Independent Auditor's Report	1
Statement of Financial Position	4
Statement of Activities	5
Statement of Functional Expenses	6
Statement of Cash Flows	7
Notes to the Financial Statements	8

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., which comprise the statement of financial position as of December 31, 2025, 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 Young Women's Christian Association of Boston, Inc. as of December 31, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

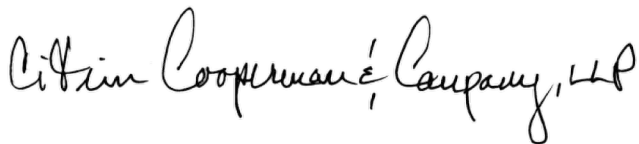
Auditor's Responsibilities for the Audit of the Financial Statements

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



Providence, Rhode Island

July 13, 2026

Young Women's Christian Association of Boston, Inc.

Statement of Financial Position

December 31, 2025

Current assets

Cash	\$ 1,013,697
Current portion of contributions receivable	133,220
Accounts receivable	31,225
Prepaid expenses	46,503

Total current assets	<u>1,224,645</u>
-----------------------------	------------------

Property and equipment, net	<u>36,796</u>
------------------------------------	---------------

Other assets

Contributions receivable, net of current portion and discount	234,493
Investments	35,129,944
Operating lease, right-of-use assets, net	944,089
Beneficial interest in perpetual trusts	46,934

Total other assets	<u>36,355,460</u>
---------------------------	-------------------

Total assets	<u><u>\$ 37,616,901</u></u>
---------------------	-----------------------------

Liabilities and net assets

Current liabilities

Current portion of lease liability	\$ 132,352
Accounts payable and accrued expenses	217,141
Deferred revenue	54,805

Total current liabilities	<u>404,298</u>
----------------------------------	----------------

Long-term lease liability, less current portion	<u>970,068</u>
--	----------------

Commitments and contingencies (Notes 9 and 12)

Net assets

Without donor restrictions

Board designated	30,869,230
Undesignated	2,446,161

Total net assets without donor restrictions	<u>33,315,391</u>
--	-------------------

With donor restrictions	2,927,144
-------------------------	-----------

Net assets	<u>36,242,535</u>
-------------------	-------------------

Total liabilities and net assets	<u><u>\$ 37,616,901</u></u>
---	-----------------------------

See accompanying notes to the financial statements.

Young Women's Christian Association of Boston, Inc.

Statement of Activities

For the year ended December 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Operating revenue and support			
Special events revenue	\$ 329,460	\$ -	\$ 329,460
Less: cost of direct benefit to donor	(126,480)	-	(126,480)
Net special events revenue	202,980	-	202,980
Foundation and corporate contributions	235,708	332,500	568,208
Government grant revenue	126,237	-	126,237
Individuals' contributions	152,649	-	152,649
In-kind donation	93,816	-	93,816
Fees for service revenue	816,101	-	816,101
Appropriation from endowment	2,825,417	-	2,825,417
Net assets released from restriction	120,000	(120,000)	-
Total operating revenue and support	4,572,908	212,500	4,785,408
Expenses			
Program expenses			
DEI Services	2,497,250	-	2,497,250
FYRE Girls Program	532,002	-	532,002
Supporting services			
General and administrative	687,674	-	687,674
Fundraising	536,547	-	536,547
Total expenses	4,253,473	-	4,253,473
Changes in net assets from operations	319,435	212,500	531,935
Non-operating activity			
Net non-endowment investment return	73,999	-	73,999
Appropriation from endowment	(2,825,417)	-	(2,825,417)
Net endowment investment return	3,854,959	158,340	4,013,299
Change in beneficial interest in perpetual trust	-	3,941	3,941
Total non-operating activity	1,103,541	162,281	1,265,822
Changes in net assets	1,422,976	374,781	1,797,757
Net assets at beginning of year	31,892,415	2,552,363	34,444,778
Net assets at end of year	<u>\$ 33,315,391</u>	<u>\$ 2,927,144</u>	<u>\$ 36,242,535</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, 2025

	Program Services			Supporting Services			
	DEI Services	FYRE Girls Program	Total Program Services	General and Administrative	Fundraising	Direct Benefit to Donors	Total Expenses
Salaries	\$ 1,760,287	\$ 383,065	\$ 2,143,352	\$ 341,412	\$ 366,228	\$ -	\$ 2,850,992
Payroll taxes and employee benefits	349,222	75,996	425,218	67,733	72,656	-	565,607
Professional fees	93,703	15,427	109,130	215,677	44,340	-	369,147
Occupancy	114,412	24,898	139,310	22,191	23,804	51,582	236,887
Insurance	12,483	2,716	15,199	2,421	2,597	-	20,217
Advertising	7,812	-	7,812	-	-	-	7,812
Travel and meetings	47,963	6,588	54,551	4,607	967	74,898	135,023
Information technology	59,181	12,879	72,060	24,673	3,913	-	100,646
Supplies and office expense	12,221	1,736	13,957	5,850	18,705	-	38,512
National dues	23,929	5,207	29,136	-	-	-	29,136
Depreciation	16,037	3,490	19,527	3,110	3,337	-	25,974
	2,497,250	532,002	3,029,252	687,674	536,547	126,480	4,379,953
Less: expenses included with revenues in the statement of activities	-	-	-	-	-	(126,480)	(126,480)
	\$ 2,497,250	\$ 532,002	\$ 3,029,252	\$ 687,674	\$ 536,547	\$ -	\$ 4,253,473

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, 2025

Cash flows from operating activities

Changes in net assets \$ 1,797,757

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

Depreciation 25,974

Net realized and unrealized gains on investments (3,389,838)

Change in beneficial interest in perpetual trust (3,941)

Noncash operating lease expense 2,199

Changes in operating assets and liabilities

Contributions receivable (123,347)

Accounts receivable 63,814

Prepaid expenses (33,808)

Accounts payable and accrued expenses 39,278

Deferred revenue (107,809)

Net cash used in operating activities (1,729,721)

Cash flows from investing activities

Proceeds from sale of investments 6,715,304

Purchase of investments (4,487,347)

Net cash provided by investing activities 2,227,957

Net increase in cash 498,236

Cash at beginning of year 515,461

Cash at end of year \$ 1,013,697

See accompanying notes to the financial statements.

Young Women's Christian Association of Boston, Inc.

Notes to the Financial Statements

December 31, 2025

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 over 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, 2025

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, 2025, 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.

At December 31, 2025, management believes all outstanding balances are fully collectible, and therefore, no allowance for doubtful accounts was recorded.

Accounts receivable totaled \$31,225 and \$95,039 at December 31, 2025 and 2024, respectively.

Contributions receivable - Contributions receivable consist of unconditional promises to give to the Organization and are recognized as revenue in the period the contribution is received. Contributions received with payments due in future periods are reported as net assets with donor restrictions until payment is received. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their future cash flows, discounted at an appropriate discount rate commensurate with the risk involved. An allowance for uncollectible contributions receivable is based upon management's judgment of potential defaults. At December 31, 2025, there was no allowance recorded. At December 31, 2025, three donors' contributions totaled 97% of outstanding net contributions receivable.

Young Women's Christian Association of Boston, Inc.

Notes to the Financial Statements

December 31, 2025

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.

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 in the statement of activities as "Net endowment investment return." Investment return on non-endowment investments is reported in the statement of activities as "Net non-endowment investment return."

Young Women's Christian Association of Boston, Inc.

Notes to the Financial Statements

December 31, 2025

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.

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, 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.

Young Women's Christian Association of Boston, Inc.

Notes to the Financial Statements

December 31, 2025

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, \$2,685,000 was utilized for operations for the year ended December 31, 2025, 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.

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, 2025, 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

Young Women's Christian Association of Boston, Inc.

Notes to the Financial Statements

December 31, 2025

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.

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, 2025:

Fee for service revenue recognized over time	\$ 373,915
Fee for service revenue recognized at a point in time	442,186
Total fee for service revenue	<u><u>\$ 816,101</u></u>

Deferred revenue for the year ended December 31, 2025, is comprised of the following:

Beginning balance of deferred revenue	\$ 162,614
Plus: billings and cash received in advance	48,250
Less: revenue recognized	(156,059)
Ending balance of deferred revenue	<u><u>\$ 54,805</u></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, 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.

Young Women's Christian Association of Boston, Inc.

Notes to the Financial Statements

December 31, 2025

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."

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 \$93,816 for the year ended December 31, 2025, 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 reflect 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.

Young Women's Christian Association of Boston, Inc.

Notes to the Financial Statements

December 31, 2025

The expenses that are allocated include the following:

Expense	Method of Allocation
Salaries	Time and effort
Payroll taxes and employee benefits	Time and effort
Information technology	Usage
Depreciation	Square footage
Occupancy	Square footage

Advertising - The Organization expenses advertising costs as they are incurred. Advertising expense for the year ended December 31, 2025, totaled \$7,812.

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, 2025, management believes that the Organization has no material uncertain tax positions.

Subsequent events - The Organization has evaluated subsequent events through July 13, 2026, 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, 2025:

Cash	\$ 1,013,697
Contributions receivable	367,713
Accounts receivable	31,225
Investments	35,129,944
Beneficial interest in perpetual trusts	46,934
Total financial assets at year end	36,589,513
Less: amounts not available to be used within one year:	
Board-designated net assets	(30,869,230)
Net assets with donor restrictions	(2,927,144)
Financial assets available to meet general expenditure over the next 12 months	<u><u>\$ 2,793,139</u></u>

Young Women's Christian Association of Boston, Inc.

Notes to the Financial Statements

December 31, 2025

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 \$30,869,230 at December 31, 2025.

4. CONTRIBUTIONS RECEIVABLE

Contributions receivable consisted of the following as of December 31, 2025:

Amounts due in

Less than one year	\$ 133,220
Two to five years	255,000
Total	<u>388,220</u>
Less: unamortized discount	(20,507)
	<u><u>\$ 367,713</u></u>

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, 2025

At December 31, 2025, a summary of the Organization's investments is as follows:

	Level 1	Level 2	Total	Valuation Technique
Money market funds	\$ 2,450,320	\$ -	\$ 2,450,320	(a)
ETFs, index funds	88,564	-	88,564	(a)
Corporate bonds				
AAA	-	763,286	763,286	(a)
AA+	-	49,656	49,656	(a)
AA	-	402,351	402,351	(a)
AA-	-	575,046	575,046	(a)
A+	-	1,377,489	1,377,489	(a)
A	-	1,130,233	1,130,233	(a)
A-	-	907,560	907,560	(a)
BBB+	-	2,240,721	2,240,721	(a)
BBB	-	549,767	549,767	(a)
	-	7,996,109	7,996,109	
Government bonds				
AA+	-	2,143,576	2,143,576	(a)
Municipal bonds				
A+	-	618,502	618,502	(a)
Common stock				
Communication services	1,233,869	-	1,233,869	(a)
Consumer discretionary	1,340,336	-	1,340,336	(a)
Consumer staples	717,766	-	717,766	(a)
Financial services	1,920,931	-	1,920,931	(a)
Healthcare	1,144,025	-	1,144,025	(a)
Industrial goods	1,318,323	-	1,318,323	(a)
Materials	475,767	-	475,767	(a)
Real estate	306,645	-	306,645	(a)
Technology	4,704,271	-	4,704,271	(a)
Utilities	320,154	-	320,154	(a)
	13,482,087	-	13,482,087	
Mutual funds	8,350,786	-	8,350,786	(a)
Total	\$ 24,371,757	\$ 10,758,187	\$ 35,129,944	

Young Women's Christian Association of Boston, Inc.

Notes to the Financial Statements

December 31, 2025

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, 2025.

The following is a summary of investment return for the year ended December 31, 2025:

	Without Donor Restrictions	With Donor Restrictions	Total
Net realized and unrealized gains	\$ 3,285,321	\$ 104,517	\$ 3,389,838
Income from investments consisting of dividends, interest and capital gains	748,143	65,010	813,153
Investment fees	(104,506)	(11,187)	(115,693)
Total	\$ 3,928,958	\$ 158,340	\$ 4,087,298

7. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31, 2025:

Furniture and fixtures	\$ 129,869
Less: accumulated depreciation and amortization	(93,073)
Property and equipment, net	\$ 36,796

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, 2025

Changes in the Organization's endowment net assets consist of the following for the year ended December 31, 2025, are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets at beginning of year	\$ 29,839,688	\$ 2,229,692	\$ 32,069,380
Investment return, net			
Interest and dividends	671,294	65,010	736,304
Investment expenses	(101,656)	(11,187)	(112,843)
Investment gain (realized and unrealized), net	3,285,321	104,517	3,389,838
Total investment return	3,854,959	158,340	4,013,299
Appropriations for expenditure	(2,825,417)	-	(2,825,417)
Endowment net assets at end of year	<u>\$ 30,869,230</u>	<u>\$ 2,388,032</u>	<u>\$ 33,257,262</u>

9. 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, 2025, the Organization's future minimum payments on operating leases, including interest, are as follows:

Year ending December 31	Amount
2026	\$ 164,180
2027	167,902
2028	171,624
2029	175,347
2030	179,069
Thereafter	369,306
Net minimum lease payments	<u>1,227,428</u>
Less: interest	<u>(125,008)</u>
Present value of lease liabilities	1,102,420
Less: current portion	<u>(132,352)</u>
Lease liabilities, net of current portion	<u>\$ 970,068</u>

Young Women's Christian Association of Boston, Inc.

Notes to the Financial Statements

December 31, 2025

Rent expense for the year ended December 31, 2025, totaled \$153,988 and is included in "Occupancy" in the accompanying statement of functional expenses.

Supplemental cash flow information related to leases is as follows:

Cash paid for amounts included in the measurement of lease liabilities

Operating cash flows from operating leases	\$ 160,457
--	------------

Average lease terms and discount rates were as follows

Weighted-average remaining lease term (in years)	7.20
--	------

Weighted-average discount rate (%)	3.06
------------------------------------	------

10. NET ASSETS WITH DONOR RESTRICTIONS

At December 31, 2025, net assets with donor restrictions are restricted for the following purposes:

Subject to expenditure for specified purpose

Program activities	\$ 117,178
--------------------	------------

Subject to passage of time

Grants and contributions receivable	375,000
-------------------------------------	---------

Endowments

Brown	821,197
-------	---------

Bryant	170,928
--------	---------

Webber	620,352
--------	---------

Other	185,694
-------	---------

Total	1,798,171
--------------	------------------

Subject to endowment spending policy and appropriation

589,861

Not subject to spending policy or appropriation

Beneficial interest in perpetual trust	46,934
--	--------

Total	\$ 2,927,144
--------------	---------------------

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, 2025:

Expiration of time restrictions	\$ 80,000
---------------------------------	-----------

Satisfaction of purpose restrictions	40,000
--------------------------------------	--------

Program activities	\$ 120,000
---------------------------	-------------------

Young Women's Christian Association of Boston, Inc.

Notes to the Financial Statements

December 31, 2025

11. 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, 2025, the Organization elected to contribute 3%. 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 \$61,840 for the year ended December 31, 2025. 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.

12. CONTINGENCIES

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.