



**YOUNG MEN'S CHRISTIAN ASSOCIATION OF  
GREATER BOSTON, INC.**

(D.B.A. YMCA of Greater Boston)

Financial Statements

December 31, 2023 and 2022

(With Independent Auditors' Report Thereon)



KPMG LLP  
Two Financial Center  
60 South Street  
Boston, MA 02111

## Independent Auditors' Report

The Board of Directors  
Young Men's Christian Association of Greater Boston, Inc.:

### *Opinion*

We have audited the financial statements of Young Men's Christian Association of Greater Boston, Inc. (the Association), which comprise the statements of financial position as of December 31, 2023 and 2022, 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 accompanying financial statements present fairly, in all material respects, the financial position of the Association as of December 31, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

### *Basis for Opinion*

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 the Association 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 U.S. generally accepted accounting principles, 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 Association's ability to continue as a going concern for 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 GAAS, 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 Association'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 Association'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.

*KPMG LLP*

Boston, Massachusetts  
May 7, 2024

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF  
GREATER BOSTON, INC.**

(D.B.A. YMCA of Greater Boston)

Statements of Financial Position

December 31, 2023 and 2022

<b>Assets</b>	<b>2023</b>	<b>2022</b>
Cash and cash equivalents	\$ 7,820,819	7,140,256
Accounts receivable, net (note 3)	6,879,423	5,929,824
Contributions receivable, net	50,000	52,900
Investments (notes 5 and 6):		
Other investments	12,290,557	11,265,177
Endowment	26,875,412	24,506,925
Beneficial interest in perpetual trusts (note 6)	895,037	815,751
Right-of-use lease asset, net (note 10)	4,453,320	5,975,849
Property, plant, and equipment, net (note 7)	110,047,525	109,257,761
Other assets	719,886	543,513
Total assets	\$ 170,031,979	165,487,956
<b>Liabilities and Net Assets</b>		
Accounts payable and accrued expenses	\$ 7,007,019	6,553,773
Deferred revenue	1,895,801	1,904,514
Lease liabilities (note 10)	4,561,841	6,084,370
Interest rate swap obligation (note 9)	765,107	800,404
Mortgages and interest payable (note 9)	7,330,208	6,899,332
Bonds payable (note 9)	38,858,111	40,356,848
Total liabilities	60,418,087	62,599,241
Net assets:		
Without donor restrictions	88,155,985	83,802,176
With donor restrictions	21,457,907	19,086,539
Total net assets	109,613,892	102,888,715
Total liabilities and net assets	\$ 170,031,979	165,487,956

See accompanying notes to financial statements.

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF  
GREATER BOSTON, INC.**

(D.B.A. YMCA of Greater Boston)

Statement of Activities

Year ended December 31, 2023

	<b>Without donor restrictions</b>	<b>With donor restrictions</b>	<b>Total 2023</b>
Support:			
Sustaining contributions	\$ 2,713,320	—	2,713,320
In-kind contributions (note 12)	3,223,960	—	3,223,960
Other contributions and special events	4,002,210	2,337,293	6,339,503
Total support	9,939,490	2,337,293	12,276,783
Revenue:			
Program fees, including camping	26,283,972	—	26,283,972
Residence fees and facility rentals	1,303,309	—	1,303,309
Membership dues and joining fees	23,729,034	—	23,729,034
Contract and grant revenues	30,717,091	—	30,717,091
Other revenues	1,302,144	—	1,302,144
Investment income used in operations, net (notes 5 and 6)	1,481,538	—	1,481,538
Net assets released from restriction (note 8)	1,548,244	(1,548,244)	—
Total revenue	86,365,332	(1,548,244)	84,817,088
Total support and revenue	96,304,822	789,049	97,093,871
Expenses:			
Salaries, wages, and other employment costs	53,815,687	—	53,815,687
Contract and professional services	4,069,144	—	4,069,144
Supplies, telephone, and postage	8,868,740	—	8,868,740
Occupancy, transportation, and related costs	16,152,701	—	16,152,701
Depreciation and amortization	4,658,918	—	4,658,918
Other costs and expenses	5,350,337	—	5,350,337
Total expenses	92,915,527	—	92,915,527
Operating revenues in excess of operating expenses	3,389,295	789,049	4,178,344
Other revenues (expenses) and changes:			
Contributions for long-term investment	—	14,471	14,471
Capital contributions	—	12,359	12,359
Change in fair value of beneficial interest in perpetual trusts	—	79,286	79,286
Reinvested return on investments (notes 5 and 6)	929,217	1,476,203	2,405,420
Change in fair value on interest rate swap agreement (note 9)	35,297	—	35,297
Total other revenues (expenses)	964,514	1,582,319	2,546,833
Total change in net assets	4,353,809	2,371,368	6,725,177
Net assets, beginning of year	83,802,176	19,086,539	102,888,715
Net assets, end of year	\$ 88,155,985	21,457,907	109,613,892

See accompanying notes to financial statements.

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF  
GREATER BOSTON, INC.**

(D.B.A. YMCA of Greater Boston)

Statement of Activities

Year ended December 31, 2022

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total 2022</u>
Support:			
Sustaining contributions	\$ 2,794,049	—	2,794,049
In-kind contributions (note 12)	4,024,939	—	4,024,939
Other contributions and special events	<u>3,617,271</u>	<u>1,896,136</u>	<u>5,513,407</u>
Total support	<u>10,436,259</u>	<u>1,896,136</u>	<u>12,332,395</u>
Revenue:			
Program fees, including camping	23,513,752	—	23,513,752
Residence fees and facility rentals	1,038,668	—	1,038,668
Membership dues and joining fees	18,382,363	—	18,382,363
Contract and grant revenues	26,579,781	—	26,579,781
Other revenues	1,562,845	—	1,562,845
Investment income used in operations, net (notes 5 and 6)	736,310	—	736,310
Net assets released from restriction (note 8)	<u>1,604,603</u>	<u>(1,604,603)</u>	<u>—</u>
Total revenue	<u>73,418,322</u>	<u>(1,604,603)</u>	<u>71,813,719</u>
Total support and revenue	<u>83,854,581</u>	<u>291,533</u>	<u>84,146,114</u>
Expenses:			
Salaries, wages, and other employment costs	46,914,210	—	46,914,210
Contract and professional services	3,442,431	—	3,442,431
Supplies, telephone, and postage	9,765,789	—	9,765,789
Occupancy, transportation, and related costs	14,905,108	—	14,905,108
Depreciation and amortization	4,125,457	—	4,125,457
Other costs and expenses	<u>4,512,676</u>	<u>—</u>	<u>4,512,676</u>
Total expenses	<u>83,665,671</u>	<u>—</u>	<u>83,665,671</u>
Operating revenues in excess of operating expenses	<u>188,910</u>	<u>291,533</u>	<u>480,443</u>
Other revenues (expenses) and changes:			
Contributions for long-term investment	—	339,233	339,233
Capital contributions	—	284,329	284,329
Change in fair value of beneficial interest in perpetual trusts	—	(224,339)	(224,339)
Reinvested return on investments (notes 5 and 6)	(2,441,912)	(2,545,119)	(4,987,031)
Gain on PPP loan forgiveness	8,765,400	—	8,765,400
Change in fair value on interest rate swap agreement (note 9)	1,276,973	—	1,276,973
Other	<u>(65,235)</u>	<u>—</u>	<u>(65,235)</u>
Total other revenues (expenses)	<u>7,535,226</u>	<u>(2,145,896)</u>	<u>5,389,330</u>
Total change in net assets	7,724,136	(1,854,363)	5,869,773
Net assets, beginning of year	<u>76,078,040</u>	<u>20,940,902</u>	<u>97,018,942</u>
Net assets, end of year	\$ <u><u>83,802,176</u></u>	<u><u>19,086,539</u></u>	<u><u>102,888,715</u></u>

See accompanying notes to financial statements.

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF  
GREATER BOSTON, INC.**

(D.B.A. YMCA of Greater Boston)

Statements of Functional Expenses

Years ended December 31, 2023 and 2022

	<b>2023</b>							
	<b>Program costs</b>			<b>Total program costs</b>	<b>Support services</b>		<b>Total support services</b>	<b>Total</b>
	<b>Healthy living</b>	<b>Youth development</b>	<b>Social responsibility</b>		<b>General administration</b>	<b>Fundraising</b>		
Salaries, wages, and other employment costs	\$ 21,531,140	23,648,436	3,279,502	48,459,078	3,629,723	1,726,886	5,356,609	53,815,687
Contract and professional services	279,721	2,100,924	866,731	3,247,376	770,948	50,820	821,768	4,069,144
Supplies, telephone, and postage	1,273,709	1,887,145	5,649,819	8,810,673	42,815	15,252	58,067	8,868,740
Occupancy, transportation, and related costs	12,667,471	1,781,353	1,168,926	15,617,750	492,286	42,665	534,951	16,152,701
Depreciation and amortization	3,936,546	310,574	289,634	4,536,754	122,164		122,164	4,658,918
Other costs and expenses	2,650,492	1,016,704	160,747	3,827,943	906,649	615,745	1,522,394	5,350,337
Total	\$ <u>42,339,079</u>	<u>30,745,136</u>	<u>11,415,359</u>	<u>84,499,574</u>	<u>5,964,585</u>	<u>2,451,368</u>	<u>8,415,953</u>	<u>92,915,527</u>

  

	<b>2022</b>							
	<b>Program costs</b>			<b>Total program costs</b>	<b>Support services</b>		<b>Total support services</b>	<b>Total</b>
	<b>Healthy living</b>	<b>Youth development</b>	<b>Social responsibility</b>		<b>General administration</b>	<b>Fundraising</b>		
Salaries, wages, and other employment costs	\$ 18,078,975	19,644,353	4,039,127	41,762,455	3,251,784	1,899,971	5,151,755	46,914,210
Contract and professional services	309,063	1,851,791	871,734	3,032,588	404,402	5,441	409,843	3,442,431
Supplies, telephone, and postage	1,087,290	1,832,307	6,749,677	9,669,274	76,081	20,434	96,515	9,765,789
Occupancy, transportation, and related costs	11,337,956	1,615,778	1,465,468	14,419,202	447,153	38,753	485,906	14,905,108
Depreciation and amortization	3,665,941	67,955	245,035	3,978,931	146,526	—	146,526	4,125,457
Other costs and expenses	2,125,896	856,245	244,263	3,226,404	750,418	535,854	1,286,272	4,512,676
Total	\$ <u>36,605,121</u>	<u>25,868,429</u>	<u>13,615,304</u>	<u>76,088,854</u>	<u>5,076,364</u>	<u>2,500,453</u>	<u>7,576,817</u>	<u>83,665,671</u>

See accompanying notes to financial statements.

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF  
GREATER BOSTON, INC.**

(D.B.A. YMCA of Greater Boston)

Statements of Cash Flows

Years ended December 31, 2023 and 2022

	<b>2023</b>	<b>2022</b>
Cash flows from operating activities:		
Change in net assets	\$ 6,725,177	5,869,773
Adjustments to reconcile change in net assets to net cash provided by operating activities (gains) losses:		
Realized and unrealized gains/(losses) on investments	(3,011,046)	4,763,499
Depreciation and amortization	4,658,918	4,125,457
ROU asset amortization	349,873	275,708
Change in fair value on interest rate swap agreement	(35,297)	(1,276,973)
Contributions restricted for long-term investment	(14,471)	(339,233)
Changes in assets and liabilities:		
Accounts and contributions receivable	(946,699)	(1,855,248)
Beneficial interest in perpetual trusts	(79,286)	224,339
Other assets	(176,373)	93,273
Accounts payable and accrued expenses	642,068	172,820
Deferred revenue	(8,713)	14,151
Lease liability	(349,873)	(167,187)
Net cash provided by operating activities	7,754,278	11,900,379
Cash flows from investing activities:		
Purchases of investments	(18,799,597)	(28,335,112)
Proceeds from sale of investments	18,416,774	22,840,585
Acquisition of property, plant, and equipment	(5,138,792)	(3,907,079)
Net cash (used in) investing activities	(5,521,615)	(9,401,606)
Cash flows from financing activities:		
Contributions restricted for long-term investment	14,471	339,233
Forgiveness of debt from paycheck protection program loan	—	(8,765,400)
Principal repayments of long-term debt	(1,566,571)	(1,509,505)
Net cash (used in) financing activities	(1,552,100)	(9,935,672)
Net (decrease) increase in cash and cash equivalents	680,563	(7,436,899)
Cash and cash equivalents, beginning of year	7,140,256	14,577,155
Cash and cash equivalents, end of year	\$ 7,820,819	7,140,256
Supplemental disclosure of cash flow information:		
Cash paid for interest	\$ 1,543,745	1,565,003
Change in construction payable	241,294	671,874

See accompanying notes to financial statements.



**YOUNG MEN'S CHRISTIAN ASSOCIATION OF  
GREATER BOSTON, INC.**

(D.B.A. YMCA of Greater Boston)

Notes to Financial Statements

December 31, 2023 and 2022

**(1) Organization**

Young Men's Christian Association of Greater Boston, Inc. (D.B.A. YMCA of Greater Boston), a not-for-profit corporation was established in 1851 in the United States. The YMCA is dedicated to improving the health of mind, body, and spirit of individuals and families in our communities. We provide welcoming, belonging, and opportunity for all.

**(2) Summary of Significant Accounting Policies**

**(a) Basis of Presentation**

The accompanying financial statements are presented on the accrual basis of accounting for not-for-profit- entities. As such, net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor imposed-restrictions:

Net assets and changes therein are classified as follows:

*Without Donor Restrictions* – Net assets that are not subject to donor imposed-restrictions. Items that affect this net asset category principally consist of fees for service and related expenses associated with the core activities of the Association. In addition to these exchange transactions, changes in this category of net assets include investment returns on board designated endowment funds, change in valuations of interest rate swaps, and certain types of philanthropic support.

Such philanthropic support includes gifts without restrictions, including those designated by the Board of Trustees (the Board) to function as endowment funds and restricted gifts and grants whose donor imposed-restrictions were met during the fiscal year, as well as previously restricted gifts and grants for buildings and equipment that have been placed in service.

The Association conducts its many programs at thirteen centers throughout Greater Boston and three resident camps in New Hampshire. Costs classified as program costs are the total costs incurred at each location and the costs of area programs. Support costs are the costs of general administration and fundraising function for the Association as a whole and are not allocated to programs.

*With Donor Restrictions* – Net assets subject to donor imposed-restrictions that will be met by the passage of time. Items that affect this net asset category are gifts for which donor imposed-restrictions have not been met in the year of receipt, including gifts and grants for buildings and equipment not yet placed in service, endowment, contribution receivables, and investment returns on endowment funds, and endowments where the principal may be expended upon the passage of a stated period of time. Expirations of restrictions on net assets with donor restrictions, including reclassification of restricted gifts and grants for buildings and equipment when the associated long-lived- asset is placed in service, are reported as net assets released from restrictions.

Also included in this category are net assets subject to donor imposed-restrictions to be maintained by the Association in perpetuity, including gifts and pledges wherein the donor stipulates that only the income be made available for general or specific purposes. Other items in this net asset

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF  
GREATER BOSTON, INC.**

(D.B.A. YMCA of Greater Boston)

Notes to Financial Statements

December 31, 2023 and 2022

category include beneficial interest in perpetual trusts for which the ultimate purpose for the proceeds is to be held in perpetuity.

Conditional promises to give are not recognized until they become unconditional; that is, when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value. Contributions to be received after one year, if any, are discounted at the appropriate rate commensurate with the risks involved.

Detail of net assets	2023			2022		
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total
Operating	\$ 76,433,863	—	76,433,863	73,022,669	—	73,022,669
Capital projects	—	75,500	75,500	—	75,500	75,500
Program related	—	5,334,080	5,334,080	—	4,467,870	4,467,870
Endowment funds	11,722,122	15,153,290	26,875,412	10,779,507	13,727,418	24,506,925
Beneficial interest trusts	—	895,037	895,037	—	815,751	815,751
Total	\$ 88,155,985	21,457,907	109,613,892	83,802,176	19,086,539	102,888,715

The endowment component of net assets without donor restrictions is comprised of amounts designated by the Board to function as endowment, which amount to \$11,722,122 and \$10,779,507, as of December 31, 2023 and 2022, respectively.

**(b) Cash and Cash Equivalents**

The Association considers all highly liquid investments with original maturities of three months or less to be cash equivalents, except any such investments that are part of the Association's endowment, which are reported as long-term – investments.

**(c) Beneficial Interest in Perpetual Trusts**

Beneficial interest in perpetual trusts are reported at the estimated fair value of the Association's share of the underlying assets and are classified in Level 3 of the fair value hierarchy.

**(d) Contributed Services**

In-kind- contributions are reflected as contributions at their fair value at date of donation and are reported as unrestricted support unless explicit donor stipulations specify how donated assets must be used. These amounts have been reported as both in-kind- contribution revenue and in-kind- expense on the statements of activities. The Association recognizes the fair value of contributed services received if such services a) create or enhance nonfinancial assets or b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not contributed. The Association receives services from many volunteers who give significant amounts of their time to its programs and fundraising campaigns but do not meet the criteria for financial statement recognition.

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF  
GREATER BOSTON, INC.**

(D.B.A. YMCA of Greater Boston)

Notes to Financial Statements

December 31, 2023 and 2022

**(e) Property, Plant, and Equipment**

Property, plant, and equipment are stated at cost, or at market value on the date of receipt for donated property. Depreciation of buildings and equipment is provided over the estimated useful lives of the respective assets on a straight-line- basis as follows: 40 to 50 years for buildings, 14 to 15 years for building improvements, and 3 to 10 years for equipment, including software. The cost of maintenance and repairs is charged to income as incurred; significant renewals and betterments are capitalized.

**(f) Income Taxes**

The Association is a nonprofit organization described under Internal Revenue Code (IRC) Section 501(c)(3) and is generally exempt from income taxes under the provisions of IRC alignment of this note looks like it needs be fixed to align with note above/below Section 501(a). The Association believes it has taken no significant uncertain tax positions.

**(g) Fair Value Measurements**

Investments, beneficial interest in perpetual trusts and interest rate swaps are reported at fair value in the Association's financial statements. Fair value represents the price that would be received upon the sale of an asset or paid upon the transfer of a liability in an orderly transaction between market participants as of the measurement date. Generally Accepted Accounting Principles (GAAP) establishes a fair value hierarchy that prioritizes inputs used to measure fair value into three levels:

- Level 1 – quoted prices (unadjusted) in active markets that are accessible at the measurement date for assets or liabilities;
- Level 2 – observable prices that are based on inputs not quoted in active markets, but corroborated by market data;
- Level 3 – unobservable inputs that are used when little or no market data is available.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. In determining fair value, the Association utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible.

Some of the Association's investments are held through limited partnerships for which fair value is estimated using NAVs reported by fund managers as a practical expedient.

**(h) Use of Estimates**

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF  
GREATER BOSTON, INC.**

(D.B.A. YMCA of Greater Boston)

Notes to Financial Statements

December 31, 2023 and 2022

**(i) Leases**

Operating lease liabilities are recognized at the lease commencement date based on the present value of the fixed lease payments using the Association's risk-free discount rate, according to the Association's elected policy. Related operating right-of-use lease (ROU) assets are recognized based on the initial present value of the fixed lease payments, reduced by contributions from landlords, plus any prepaid rent and direct costs from executing the leases. ROU assets are tested for impairment in the same manner as long-lived assets. Certain of the Association's real estate leases have terms that extend for a significant number of years and provide for rental rates that increase or decrease over time. Lease terms include the noncancellable portion of the underlying leases along with any reasonably certain lease periods associated with available renewal periods, termination options, and purchase options. Lease agreements with lease and non-lease components are combined as a single lease component for all classes of underlying assets.

The adoption of ASU 2016-02, in 2022, resulted in the recognition of right-of-use lease assets of \$7,046,692 and lease liabilities for operating leases of \$7,322,390 as of January 1, 2022. Further details are included in Note 10 to these financial statements.

**(j) Reclassifications**

Certain amounts in prior years have been reclassified to conform to the current year presentation.

**(3) Accounts Receivable**

Accounts receivable, net consist of the following on December 31:

	<b>2023</b>	<b>2022</b>
Corporate and grant receivables	\$ 2,139,192	3,024,010
Center receivables	4,870,078	3,140,156
	7,009,270	6,164,166
Less allowance for doubtful receivables	(129,847)	(234,342)
Accounts receivable, net	\$ 6,879,423	5,929,824

**(4) Financial Assets and Liquidity Resources**

The following table reflects the Association's financial assets as of December 31, 2023 and 2022 reduced by amounts not available for general expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year. Other considerations of illiquid assets

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF  
GREATER BOSTON, INC.**

(D.B.A. YMCA of Greater Boston)

Notes to Financial Statements

December 31, 2023 and 2022

are perpetual endowments and accumulated earnings net of appropriations within one year or beneficial interests in perpetual trusts.

	<b>2023</b>	<b>2022</b>
Financial assets, at end of year	\$ 54,811,248	49,710,833
Less those unavailable for general expenditure within one year, due to:		
Contractual or donor-imposed restrictions:		
Restricted by donor with time or purpose restrictions	—	(75,500)
Perpetual endowments, and accumulated earnings subject to appropriation beyond one year	(14,582,339)	(14,134,919)
Investments held in beneficial interest in perpetual trusts	(895,037)	(815,751)
Board designated:		
Quasi-endowment fund, primarily for long-term investing subject to appropriation beyond one year	(11,280,451)	(10,451,447)
Financial assets available to meet cash needs for general expenditure within one year	\$ 28,053,421	24,233,216

As of December 31, 2023 and 2022, the Association has liquid assets on hand to cover 110 and 106 days, respectively, of operating expenses. The Association's practice is to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

**(5) Investments**

**(a) Overall Investment Objective**

The overall investment objective of the Association is to invest its assets in a prudent manner that will achieve a long-term rate of return sufficient to fund a portion of its annual operating activities and increase investment value above the impact of inflation. The Association diversifies its investments among various asset classes. Major investment policy decisions are authorized by the Investment Committee, which oversees the Association's investment program in accordance with established guidelines. In July 2022, the Association issued an investment policy, approved by the Investment Committee, for assets that represent operating cash reserves and will be invested in short-term government and corporate securities.

**(b) Allocation of Investment Strategies**

In addition to traditional stocks and fixed income securities, the Association may also hold shares or units in traditional institutional funds and in alternative investment funds involving hedged strategies. Hedged strategies involve funds whose managers have the authority to invest in various asset classes at their discretion, including the ability to invest long and short. Funds with hedged strategies generally hold securities or other financial instruments for which a ready market exists and may include stocks, bonds, put or call options, swaps, currency hedges and other instruments, and are

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF  
GREATER BOSTON, INC.**

(D.B.A. YMCA of Greater Boston)

Notes to Financial Statements

December 31, 2023 and 2022

valued accordingly. Because of the inherent uncertainties of valuation, these estimated fair values may differ significantly from values that would have been used had a ready market existed, and the differences could be material. Moreover, the fair values of the Association's interests in shares or units of these funds, because of liquidity and commitment terms that vary depending on the specific fund or agreement, may differ from the fair value of the funds' underlying net assets.

**(c) Basis of Reporting**

Investments are reported at estimated fair value. If an investment is held directly by the Association and an active market where quoted prices exist, the market price of an identical security is used as reported fair value. Reported fair values for shares in mutual funds registered with the Securities and Exchange Commission are based on share prices reported by the funds as of the last business day of the fiscal year. The Association's interests in alternative investment funds are generally reported at the net asset value (NAV) reported by the fund managers, which is used as a practical expedient to estimate the fair value of the Association's interest therein, unless it is probable that all or a portion of the investment will be sold for an amount different from NAV. As of December 31, 2023 and 2022, the Association had no plans or intentions to sell investments at amounts different from NAV.

The following tables summarize the Association's Investments by major category in the fair value hierarchy as of December 31, 2023 and 2022, as well as related strategy, liquidity and funding commitments.

	<b>Investments measured at NAV</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Total 2023</b>	<b>% of Total</b>
Cash equivalents	\$ —	963,617	—	963,617	3 %
Fixed income	—	7,964,239	9,848,163	17,812,402	45
Equities	—	19,176,058	—	19,176,058	49
Commodities	—	506,745	—	506,745	1
	—	28,610,659	9,848,163	38,458,822	98
Hedged equity – fund of funds	707,147	—	—	707,147	2
Total investments	\$ <u>707,147</u>	<u>28,610,659</u>	<u>9,848,163</u>	<u>39,165,969</u>	<u>100 %</u>

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF  
GREATER BOSTON, INC.**

(D.B.A. YMCA of Greater Boston)

Notes to Financial Statements

December 31, 2023 and 2022

	<b>Investments measured at NAV</b>		<b>Level 1</b>	<b>Level 2</b>	<b>Total 2022</b>	<b>% of Total</b>
Cash equivalents	\$	—	1,537,055	—	1,537,055	4 %
Fixed income		—	7,126,128	8,891,868	16,017,996	45
Equities		—	17,110,592	—	17,110,592	48
Commodities		—	436,436	—	436,436	1
		—	26,210,211	8,891,868	35,102,079	98
Hedged equity – fund of funds		670,023	—	—	670,023	2
Total investments	\$	<u>670,023</u>	<u>26,210,211</u>	<u>8,891,868</u>	<u>35,772,102</u>	<u>100 %</u>

U.S. Treasuries and registered mutual funds are classified in Level 1 of the fair value hierarchy because their fair values are based on quoted prices for identical securities. The Association's fixed income investments include directly held corporate bonds, which although readily marketable, are valued using matrix pricing and are classified as Level 2.

**(d) Liquidity**

Investment liquidity as of December 31, 2023 and 2022 is aggregated in the tables below based on redemption or sale period.

	<b>2023</b>	<b>2022</b>
Daily:		
Cash equivalents	\$ 963,617	1,537,055
Fixed Income	17,812,402	16,017,996
Equities	19,176,058	17,110,592
Commodities	506,745	436,436
Total daily	<u>38,458,822</u>	<u>35,102,079</u>
Semi-annually:		
Long/short	<u>707,147</u>	<u>670,023</u>
Total semi-annually	<u>707,147</u>	<u>670,023</u>
	\$ <u>39,165,969</u>	<u>35,772,102</u>

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF  
GREATER BOSTON, INC.**

(D.B.A. YMCA of Greater Boston)

Notes to Financial Statements

December 31, 2023 and 2022

Total return on investments consisted of the following for the years ended December 31:

	<b>2023</b>	<b>2022</b>
Investment return:		
Interest and dividends	\$ 1,023,245	635,408
Net realized (losses)	(221,591)	(218,224)
Net unrealized gain (losses)	3,232,637	(4,545,275)
External investment fees	(147,333)	(122,630)
Net return on investments	\$ 3,886,958	(4,250,721)

**(6) Endowment**

The Association's endowment consists of various individual funds established for a variety of purposes including both donor restricted-endowment funds and funds designated by the Board to function as endowment. Net assets associated with endowment funds, including funds designated by the Board to function as endowment, are classified and reported based on the existence or absence of donor imposed-restrictions.

**(a) Relevant Law**

The Association is subject to the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as adopted by the Commonwealth of Massachusetts.

Under UPMIFA, the historic -dollar value threshold is eliminated, and the governing Board has discretion to determine appropriate expenditures of a donor-restricted endowment fund in accordance with a robust set of guidelines about what constitutes prudent spending. UPMIFA permits the Association to appropriate for expenditure or accumulate so much of an endowment fund as the Association determines to be prudent for the uses, benefits, purposes and duration for which the endowment fund is established. Seven criteria are to be used to guide the Association in its yearly expenditure decisions: 1) duration and preservation of the endowment fund; 2) the purposes of the Association and the endowment fund; 3) general economic conditions; 4) effect of inflation or deflation; 5) the expected total return from income and the appreciation of investments; 6) other resources of the Association; and, 7) the investment policy of the Association.

Although UPMIFA offers short-term- spending flexibility, the explicit consideration of the preservation of funds among factors for prudent spending suggests that a donor restricted-endowment fund is still perpetual in nature. Under UPMIFA, the Board is permitted to determine and continue a prudent payout amount, even if the market value of the fund is below the historic dollar value. There is an expectation that, over time, the original gift amount will remain intact. This perspective is aligned with the accounting standards definition that endowment funds are those that must be held in perpetuity even though the historic -dollar-value may be expended on a temporary basis.

The Association has relied upon the Massachusetts Attorney General's interpretation of relevant state law that unappropriated endowment gains should generally be classified as donor imposed-restrictions.



**YOUNG MEN'S CHRISTIAN ASSOCIATION OF  
GREATER BOSTON, INC.**

(D.B.A. YMCA of Greater Boston)

Notes to Financial Statements

December 31, 2023 and 2022

The Association classifies as with donor restriction endowment funds (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations of investment returns in accordance with the direction of the applicable donor gift instrument or appropriated for spending by the Board.

**(b) Investment Policy**

Securities and monetary assets accepted or acquired by the endowment fund of the Association are deemed permanent funds. These funds shall be invested for the long-term- with the basic operating assumptions and guidelines reflecting that perspective. The goal of the Association's investment program is to generate maximum total return from its endowment assets, consistent with acceptable risk levels and the Association need for a predictable level of spendable endowment revenue.

**(c) Spending Policy**

The Association's investment and spending guidelines limit the amount of total endowment return available for current use. For the years ended December 31, 2023 and 2022, this limit equaled 4% of the previous 12 quarters' fair value of the Association's endowment investments.

Changes in fair value of the Association endowment investments and net assets by type of fund were as follows for the years ended December 31, 2023 and 2022:

	Without donor restrictions	With donor restrictions			Total funds
		Original gift	Accumulated gains (losses)	Total	
Year ended December 31, 2023:					
Board designated funds	\$ 11,722,122	1,000,000	119,915	1,119,915	12,842,037
Donor-restricted funds:					
Underwater funds	—	10,000	(2,677)	7,323	7,323
Other funds, including beneficial interest in perpetual trusts	—	4,530,250	10,390,839	14,921,089	14,921,089
Total endowment funds	\$ 11,722,122	5,540,250	10,508,077	16,048,327	27,770,449

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF  
GREATER BOSTON, INC.**

(D.B.A. YMCA of Greater Boston)

Notes to Financial Statements

December 31, 2023 and 2022

	Without donor restrictions	With donor restrictions			Total funds
		Original gift	Accumulated gains (losses)	Total	
Year ended December 31, 2022:					
Board designated funds	\$ 10,779,507	1,000,000	(1,063)	998,937	11,778,444
Donor-restricted funds:					
Underwater funds	—	299,203	(15,914)	283,289	283,289
Other funds, including beneficial interest in perpetual trusts	—	5,147,291	8,113,652	13,260,943	13,260,943
Total endowment funds	\$ <u>10,779,507</u>	<u>6,446,494</u>	<u>8,096,675</u>	<u>14,543,169</u>	<u>25,322,676</u>

	2023		
	Without donor restrictions	With donor restrictions	Total
Endowment net assets, beginning of year	\$ 10,779,507	14,543,169	25,322,676
Investment return:			
Investment income	271,037	365,202	636,239
External investment fees	(118,167)	—	(118,167)
Net appreciation – realized and unrealized	1,180,864	1,541,846	2,722,710
Total investment return	1,333,734	1,907,048	3,240,782
Contributions	—	14,471	14,471
Change in value of beneficial interest in trusts	—	79,286	79,286
Appropriation of endowment assets for expenditure	(391,119)	(495,647)	(886,766)
Endowment net assets, end of year	\$ <u>11,722,122</u>	<u>16,048,327</u>	<u>27,770,449</u>

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF  
GREATER BOSTON, INC.**

(D.B.A. YMCA of Greater Boston)

Notes to Financial Statements

December 31, 2023 and 2022

	<b>2022</b>		
	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 13,058,533	17,312,722	30,371,255
Investment return:			
Investment income	245,447	324,339	569,786
External investment fees	(116,613)	—	(116,613)
Net depreciation – realized and unrealized	<u>(2,079,800)</u>	<u>(2,800,536)</u>	<u>(4,880,336)</u>
Total investment return	(1,950,966)	(2,476,197)	(4,427,163)
Contributions	—	339,233	339,233
Change in value of beneficial interest in trusts	—	(224,339)	(224,339)
Appropriation of endowment assets for expenditure	<u>(328,060)</u>	<u>(408,250)</u>	<u>(736,310)</u>
Endowment net assets, end of year	<u>\$ 10,779,507</u>	<u>14,543,169</u>	<u>25,322,676</u>

**(7) Property, Plant, and Equipment**

Property, plant, and equipment is comprised of the following at December 31:

	<u>2023</u>	<u>2022</u>
Land, buildings, and improvements	\$ 185,484,004	180,916,636
Furnishings and equipment	25,289,706	23,735,530
Construction in progress	<u>1,616,976</u>	<u>2,358,434</u>
	212,390,686	207,010,600
Less accumulated depreciation	<u>(102,343,161)</u>	<u>(97,752,839)</u>
	<u>\$ 110,047,525</u>	<u>109,257,761</u>

Depreciation expense was \$4,590,322 and \$4,052,567 for the years ended December 31, 2023 and 2022, respectively.

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF  
GREATER BOSTON, INC.**

(D.B.A. YMCA of Greater Boston)

Notes to Financial Statements

December 31, 2023 and 2022

**(8) Net Assets Released from Restriction**

Net assets with donor restrictions are released by incurring expenses satisfying the restricted purpose or by occurrence of events specified by the donor. During the years ended December 31, net assets released from restriction were as follows:

	<b>2023</b>	<b>2022</b>
Satisfaction of Donor Restriction	\$ 1,548,244	1,604,603
	<u>\$ 1,548,244</u>	<u>1,604,603</u>

**(9) Bonds, Mortgages and Interest Payable**

Long-term debt consists of the following at December 31:

	<b>2023</b>	<b>2022</b>
Bonds:		
Massachusetts Development Finance Agency (MDFA): Fixed Rate Demand Revenue Bonds Series 2004A, due through 2032.	\$ 17,118,845	18,382,155
Massachusetts Development Finance Agency (MDFA): Fixed Rate Demand Revenue Bonds Series 2004A, due through 2032.	3,711,070	3,711,070
Massachusetts Development Finance Agency (MDFA): Fixed Rate Demand Revenue Bonds Series 2004A, due through 2032.	10,475,000	10,505,000
Massachusetts Development Finance Agency (MDFA): Variable Rate Demand Revenue Bonds Series 2015, due through 2032.	8,098,427	8,371,688
Total bonds payable	39,403,342	40,969,913
Less bond issue costs	(545,231)	(613,065)
Total bonds payable, net	\$ 38,858,111	40,356,848

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF  
GREATER BOSTON, INC.**

(D.B.A. YMCA of Greater Boston)

Notes to Financial Statements

December 31, 2023 and 2022

	2023		2022	
	Principal	Accrued interest	Principal	Accrued interest
Mortgages and Interest Payable:				
Public Facilities Department of City of Boston:				
Community Development Block Grant				
Promissory note, maturity date, December 31, 2025.	\$ 750,000	3,946,140	750,000	3,638,916
HOME Program Promissory note, maturity date, December 31, 2025	300,000	1,578,457	300,000	1,455,568
Housing Innovations Fund II Note:				
Community Economic Development Assistance Corporation Promissory note, maturity date, December 31, 2025	500,000	257,129	500,000	257,129
	1,550,000	5,781,726	1,550,000	5,351,613
Total mortgages and accrued interest payable	7,331,726		6,901,613	
Less mortgage issuance costs	(1,518)		(2,281)	
Total mortgages and accrued interest payable, net	\$ 7,330,208		6,899,332	

**(a) Bonds Payable**

The Association previously issued four Demand Bonds through MDFA each supported by a related credit facility. The proceeds from these bonds were used for renovations at various Association centers.

In April 2012, the Association issued \$10,800,000 MDFA Series 2012 Bonds, and reissued the outstanding balances of the MDFA Series 2004A Bonds (\$24,830,000) and Series 2007 Bonds (\$8,005,000) as variable rate private bank notes to a single counterparty.

In April 2015, the Association issued \$10,000,000 MDFA Series 2015 Bonds as fixed rate private bank notes to the same counterparty.

In September 2017, the Association and the counterparty restructured the terms of all outstanding private bank notes to convert the variable rate notes (2004, 2007 and 2012) to a fixed rate of 3.3% for 15 years through September 2032 and to convert the fixed rate note (2015) to a variable bank rate. The credit facility supporting the variable rate note is hedged and set to expire in September 2032. As of December 31, 2023, the variable rate for the outstanding note was 6.1%. Additionally, while the future

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF  
GREATER BOSTON, INC.**

(D.B.A. YMCA of Greater Boston)

Notes to Financial Statements

December 31, 2023 and 2022

principal payments of the notes have been restructured to provide a more level amortization, the original maturity dates have not changed.

In June 2022, the lender agreed again to modify its debt service coverage ratio (DSCR) covenant to an EBIDA test for all the quarterly reporting periods through December 31, 2023. In addition to the waiver and modification of the DSCR covenant, the lender consented to the sale of the Constitution Inn discussed in Note 13. The liquidity and leverage ratio requirements remained unchanged for 2022 and 2023.

For the period ended December 31, 2023, the Association was in compliance with its financial covenants.

As collateral for the Series 2004A, 2007 and 2012 and 2015 Bonds, certain YMCA facilities are included in a collateral pool including Burbank, North Suburban, Dorchester, East Boston, Wang, Roxbury, Waltham, Charlestown and West Roxbury.

Scheduled principal repayments on long-term debt are as follows:

Year ending December 31:	
2024	\$ 1,594,063
2025	1,654,844
2026	1,718,096
2027	1,783,929
2028	1,852,457
Thereafter	<u>30,799,953</u>
	<u>\$ 39,403,342</u>

**(b) Interest Rate Swaps**

In connection with its variable rate bonds, the Association has entered into interest rate swaps to help hedge against interest rate exposure by reducing the uncertainty of future cash flows. As of December 31, 2023, the remaining notional value of the swap was \$8,098,427.

Under the terms of the current swap, the Association will receive a variable payment from the counterparty based on 79.0% of USD-SOFR CME Term and pay the counterparty a fixed rate of 4.25% through September 2032. The fixed rate reflects the negative mark to market value of the Association's prior fixed rate swap. The fair value of the swap agreement at December 31, 2023 and 2022 was \$765,107 and \$800,404, respectively.

Because the inputs used to value the agreements can generally be corroborated by market data, the Association's interest rate swap at December 31, 2023 and 2022 is classified in Level 2 of the fair value hierarchy.

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF  
GREATER BOSTON, INC.**

(D.B.A. YMCA of Greater Boston)

Notes to Financial Statements

December 31, 2023 and 2022

**(c) Paycheck Protection Program Loan**

In April 2022, the Association received the approval from SBA of full loan forgiveness in connection with its \$8,765,400 loan issued under the Paycheck Protection Program ("PPP"). The loan had been issued in April 2021 to cover payroll costs and other specified non-payroll costs in 2021. The loan carried an interest rate of 1% per annum and had an original maturity date of April 2026. As the Association complied with the required terms of the PPP all principal was recognized as non-operating other revenues, and interest obligations were waived.

**(10) Operating Leases**

Operating lease right -of -use lease assets were \$4,453,320 and \$5,975,849 as of December 31, 2023 and 2022, respectively. Operating lease liabilities were \$4,561,841 and \$6,084,370 as of December 31, 2023 and 2022, respectively. Total operating lease costs included in occupancy, transportation, and related costs during 2023 and 2022 were \$1,340,328 and \$2,036,964, respectively. The Association leases vehicles, office and fitness equipment, and office space including a ground lease under noncancelable operating leases that expire through 2056.

The following summarizes the weighted-average remaining lease term and discount rate as of December 31, 2023 and 2022:

	2023	2022
Weighted-average remaining lease term:		
Operating leases	17.82 Years	15.23 Years
Weighted-average discount rate:		
Operating leases	2.65 %	2.69 %

The maturities of operating lease liabilities as of December 31, 2023 are as follows:

2024		\$ 810,056
2025		698,273
2026		449,820
2027		128,332
2028		94,044
Thereafter		2,818,512
Total future undiscounted lease payments		4,999,037
Less – present value discount/interest		437,196
Present value of lease liabilities		\$ 4,561,841

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF  
GREATER BOSTON, INC.**

(D.B.A. YMCA of Greater Boston)

Notes to Financial Statements

December 31, 2023 and 2022

Leases with an initial term of twelve months or less are not recorded on the statement of financial position. The Association recognizes lease expense for these leases on a straight-line basis over the lease term. Variable lease payments are recognized as lease expense as they are incurred.

**(11) Retirement Funds**

The Association participates in a defined contribution, individual account, money purchase retirement plan, which is administered by the YMCA Retirement Fund (Retirement Fund) (a separate corporation). The Retirement Fund is operated as a church pension plan and is a nonprofit, tax exempt- New York state corporation. Participation is available to all duly organized or reorganized YMCAs in the United States and satisfies the qualification requirements of Section 401(a) of the Code. The plan is for the benefit of substantially all full-time- professional and support staff of the Association. In accordance with the agreement with the Retirement Fund, the Association contributes a percentage of each participating employee's salary after employees satisfy eligibility requirements and remits such amounts to the Retirement Fund monthly. Total Association contributions charged to retirement costs were \$2,003,505 and \$1,713,450 for the years ended December 31, 2023 and 2022, respectively.

The Retirement Fund also sponsors The YMCA Retirement Fund Tax Deferred- Savings Plan (Savings Plan) which is a church retirement income plan as defined by Section 403(b)(9) of the Code.

As a defined contribution plan, the Retirement Fund has no unfunded benefit obligations and reported no fund deficits as of June 30, 2023 and 2022.

**(12) Contributed Nonfinancial Assets**

The Association received the following contributions of nonfinancial assets for the years ending December 31, 2023 and 2022, respectively:

	<u>2023</u>	<u>2022</u>
Food	\$ 2,144,738	2,699,900
Data processing software and licenses	344,347	788,880
Space	419,185	184,485
Campaign promotion, supplies, food and awards	86,290	72,600
Program supplies	182,777	60,755
Legal expense	25,000	153,319
Other contributions in kind	21,623	65,000
	<u>\$ 3,223,960</u>	<u>4,024,939</u>

Food contributions to the Association are immediately distributed to families in the network. Food contributions are valued at the Greater Boston Food Bank assigned on a per pound basis. Pounds are tracked based on information provided by the Greater Boston Food Bank.

Data processing software and licensing were received as contributions and value is provided by the donor based on current market rates.



**YOUNG MEN'S CHRISTIAN ASSOCIATION OF  
GREATER BOSTON, INC.**

(D.B.A. YMCA of Greater Boston)

Notes to Financial Statements

December 31, 2023 and 2022

Contributed warehouse space is received to organize and distribute food and its value is provided by the donor based on current market rates.

The Association received legal services at no cost. The Association received advertising at no cost. Campaign promotion and supplies, food and awards are event related and most contributions are auction or raffle items. Each gift was valued at current market rates.

**(13) Constitution Inn**

In February 2022, the YMCA signed an Option Agreement for the sale of the Constitution Inn ("Inn") with a non-profit group ("Buyer") focused on developing affordable and mixed income housing in Boston. The Inn currently serves as the location of the YMCA's Charlestown center and provided lodging accommodations until lodging operation were closed in October 2020.

On September 19, 2023, the Buyer exercised their option to purchase the Inn and move the transaction under a Purchase and Sales Agreement (PSA). The Buyer has secured and received all required regulatory and financing approvals for the project, however, there has been an appeal to the regulatory approval. Under the terms of the PSA, the Buyers have exercised their right to extend the Closing Date by 90 days, and as a result the Closing Date shall be July 30, 2024.

Simultaneous with the closing of the sale, the YMCA has agreed to leaseback approximately 20,000 square feet of space at the current location for the continuation of health and wellness services for the Charlestown community.

**(14) Subsequent Events**

The Association considers events or transactions that occur after the statement of financial position date, but before the financial statements are issued, to provide additional evidence relative to certain estimates or to identify matters that require additional disclosure. These financial statements were issued on May 7, 2024 and subsequent events have been evaluated through that date.