



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

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

Financial Statements

December 31, 2024 and 2023

(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, 2024 and 2023, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as of December 31, 2024 and 2023, 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 8, 2025

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

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

Statements of Financial Position

December 31, 2024 and 2023

Assets	2024	2023
Cash and cash equivalents	\$ 9,089,428	7,820,819
Accounts receivable, net (note 3)	5,183,925	6,879,423
Contributions receivable, net	37,500	50,000
Investments (notes 5 and 6):		
Other investments	12,173,015	12,290,557
Endowment	29,563,244	26,875,412
Other assets	1,659,908	719,886
Beneficial interest in perpetual trusts (note 6)	964,278	895,037
Right-of-use lease asset, net (note 10)	11,020,560	4,453,320
Property, plant, and equipment, net (note 7)	111,431,743	110,047,525
Total assets	<u>\$ 181,123,601</u>	<u>170,031,979</u>
Liabilities and Net Assets		
Accounts payable and accrued expenses	\$ 7,672,946	7,007,019
Deferred revenue	1,921,998	1,895,801
Interest rate swap obligation (note 9)	483,364	765,107
Mortgages and interest payable (note 9)	7,791,192	7,330,208
Bonds payable (note 9)	37,325,751	38,858,111
Lease liabilities (note 10)	11,160,673	4,561,841
Total liabilities	<u>66,355,924</u>	<u>60,418,087</u>
Net assets:		
Without donor restrictions	93,574,044	88,155,985
With donor restrictions	21,193,633	21,457,907
Total net assets	<u>114,767,677</u>	<u>109,613,892</u>
Total liabilities and net assets	<u>\$ 181,123,601</u>	<u>170,031,979</u>

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, 2024

	Without donor restrictions	With donor restrictions	Total 2024
Support:			
Sustaining contributions	\$ 2,428,504	—	2,428,504
In-kind contributions (note 12)	2,591,049	—	2,591,049
Other contributions and special events	4,694,282	2,409,940	7,104,222
Total support	9,713,835	2,409,940	12,123,775
Revenue:			
Program fees, including camping	28,100,828	—	28,100,828
Residence fees and facility rentals	1,520,037	—	1,520,037
Membership dues and joining fees	25,286,335	—	25,286,335
Contract and grant revenues	34,602,546	—	34,602,546
Other revenues	1,206,663	—	1,206,663
Investment income used in operations, net (notes 5 and 6)	1,823,871	—	1,823,871
Net assets released from restriction (note 8)	3,507,495	(3,507,495)	—
Total revenue	96,047,775	(3,507,495)	92,540,280
Total support and revenue	105,761,610	(1,097,555)	104,664,055
Expenses:			
Salaries, wages, and other employment costs	59,822,902	—	59,822,902
Contract and professional services	4,588,479	—	4,588,479
Supplies, telephone, and postage	8,709,113	—	8,709,113
Occupancy, transportation, and related costs	17,151,724	—	17,151,724
Depreciation and amortization	5,281,616	—	5,281,616
Other costs and expenses	6,659,268	—	6,659,268
Total expenses	102,213,102	—	102,213,102
Operating revenues in excess of operating expenses	3,548,508	(1,097,555)	2,450,953
Other revenues (expenses) and changes:			
Contributions for long-term investment	669,554	11,133	680,687
Capital contributions	170,129	—	170,129
Change in fair value of beneficial interest in perpetual trusts	—	69,241	69,241
Reinvested return on investments (notes 5 and 6)	672,625	828,407	1,501,032
Capital contributions - release from restrictions	75,500	(75,500)	—
Change in fair value on interest rate swap agreement (note 9)	281,743	—	281,743
Total other revenues (expenses)	1,869,551	833,281	2,702,832
Total change in net assets	5,418,059	(264,274)	5,153,785
Net assets, beginning of year	88,155,985	21,457,907	109,613,892
Net assets, end of year	\$ 93,574,044	21,193,633	114,767,677

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

	Without donor restrictions	With donor restrictions	Total 2023
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
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(D.B.A. YMCA of Greater Boston)

Statements of Functional Expenses

Years ended December 31, 2024 and 2023

2024								
	Program costs			Total program costs	Support services		Total support services	Total
	Healthy living	Youth development	Social responsibility		General administration	Fundraising		
Salaries, wages, and other employment costs	\$ 22,440,829	26,051,424	5,529,342	54,021,595	3,774,258	2,027,049	5,801,307	59,822,902
Contract and professional services	834,666	1,135,993	1,689,952	3,660,611	852,367	75,501	927,868	4,588,479
Supplies, telephone, and postage	1,897,471	2,534,719	4,179,373	8,611,563	72,414	25,136	97,550	8,709,113
Occupancy, transportation, and related costs	12,196,146	2,033,177	2,253,924	16,483,247	623,959	44,518	668,477	17,151,724
Depreciation and amortization	4,401,713	378,363	358,552	5,138,628	142,988		142,988	5,281,616
Other costs and expenses	3,222,157	1,401,819	378,291	5,002,267	1,111,790	545,211	1,657,001	6,659,268
Total	<u>\$ 44,992,982</u>	<u>33,535,495</u>	<u>14,389,434</u>	<u>92,917,911</u>	<u>6,577,776</u>	<u>2,717,415</u>	<u>9,295,191</u>	<u>102,213,102</u>

2023								
	Program costs			Total program costs	Support services		Total support services	Total
	Healthy living	Youth development	Social responsibility		General administration	Fundraising		
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>

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, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities:		
Change in net assets	\$ 5,153,785	6,725,177
Adjustments to reconcile change in net assets to net cash provided by operating activities (gains) losses:		
Realized and unrealized gains on investments	(2,146,279)	(3,011,046)
Depreciation and amortization	5,281,616	4,658,918
Change in right-of-use lease asset	(6,567,240)	349,873
Change in fair value on interest rate swap agreement	(281,743)	(35,297)
Contributions restricted for long-term investment	(11,133)	(14,471)
Changes in assets and liabilities:		
Accounts and contributions receivable	1,707,998	(946,699)
Beneficial interest in perpetual trusts	(69,241)	(79,286)
Other assets	(940,022)	(176,373)
Accounts payable and accrued expenses	1,674,358	642,068
Deferred revenue	26,197	(8,713)
Lease liability	6,598,832	(349,873)
Net cash provided by operating activities	<u>10,427,128</u>	<u>7,754,278</u>
Cash flows from investing activities:		
Purchases of investments	(21,601,131)	(18,799,597)
Proceeds from sale of investments	21,177,120	18,416,774
Acquisition of property, plant, and equipment	(7,149,737)	(5,138,792)
Net cash (used in) investing activities	<u>(7,573,748)</u>	<u>(5,521,615)</u>
Cash flows from financing activities:		
Contributions restricted for long-term investment	11,133	14,471
Principal repayments of long-term debt	(1,595,904)	(1,566,571)
Net cash (used in) financing activities	<u>(1,584,771)</u>	<u>(1,552,100)</u>
Net increase in cash and cash equivalents	1,268,609	680,563
Cash and cash equivalents, beginning of year	<u>7,820,819</u>	<u>7,140,256</u>
Cash and cash equivalents, end of year	<u>\$ 9,089,428</u>	<u>7,820,819</u>
Supplemental disclosure of cash flow information:		
Cash paid for interest	\$ 1,535,699	1,543,745
Change in construction payable	(548,209)	241,294

See accompanying notes to financial statements.

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF
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(D.B.A. YMCA of Greater Boston)

Notes to Financial Statements

December 31, 2024 and 2023

(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 Massachusetts (hereafter referred to as the Association). 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 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 category include beneficial interest in perpetual trusts for which the ultimate purpose for the proceeds is to be held in perpetuity.

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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	2024			2023		
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total
Operating	\$ 13,688,875	—	13,688,875	12,574,657	—	12,574,657
Investment in Plant	66,314,800	—	66,314,800	63,859,206	—	63,859,206
Capital projects	—	—	—	—	75,500	75,500
Program related	—	4,236,480	4,236,480	—	5,334,080	5,334,080
Endowment funds	13,570,369	15,992,875	29,563,244	11,722,122	15,153,290	26,875,412
Beneficial interest trusts	—	964,278	964,278	—	895,037	895,037
Total	\$ 93,574,044	21,193,633	114,767,677	88,155,985	21,457,907	109,613,892

The endowment component of net assets without donor restrictions is comprised of amounts designated by the Board to function as endowment, which amount to \$13,570,369 and \$11,722,122, as of December 31, 2024 and 2023, 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.

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Notes to Financial Statements

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(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 Section 501(a) of the IRS Code, as amended. The Association believes it has taken no significant uncertain tax positions as of December 31, 2024 or 2023.

(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) *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

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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 components for all classes of underlying assets.

(i) 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.

(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:

	<u>2024</u>	<u>2023</u>
Total Accounts Receivable	5,371,612	7,009,270
Less allowance for doubtful receivables	<u>(187,687)</u>	<u>(129,847)</u>
Accounts receivable, net	\$ <u>5,183,925</u>	<u>6,879,423</u>

(4) Financial Assets and Liquidity Resources

The following table reflects the Association's financial assets as of December 31, 2024 and 2023 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 are perpetual endowments and accumulated earnings net of appropriations within one year or beneficial interests in perpetual trusts.

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Notes to Financial Statements

December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Financial assets, at end of year	\$ 57,011,390	54,811,248
Less those unavailable for general expenditure within one year due to:		
Contractual or donor-imposed restrictions:		
Restricted by donor with time or purpose restrictions	—	—
Perpetual endowments, and accumulated earnings subject to appropriation beyond one year	(15,360,315)	(14,582,339)
Investments held in beneficial interest in perpetual trusts	(964,278)	(895,037)
Board designated:		
Quasi-endowment fund, primarily for long-term investing subject to appropriation beyond one year	<u>(13,033,626)</u>	<u>(11,280,451)</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 27,653,171</u>	<u>28,053,421</u>

As of December 31, 2024 and 2023, the Association has liquid assets on hand to cover 96 and 111 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 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.

(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 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. Excess cash reserves are invested in

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short-term government and corporate securities and classified as other investments on the Statement of Financial Position.

(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, 2024 and 2023, 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, 2024 and 2023, as well as related strategy, liquidity and funding commitments.

	Investments measured at				
	NAV	Level 1	Level 2	Total 2024	% of Total
Cash equivalents	\$ —	1,810,965		1,810,965	4
Fixed income	—	12,107,502	4,734,598	16,842,100	41
Equities	—	21,710,778	—	21,710,778	52
Commodities	—	598,582	—	598,582	1
	—	36,227,827	4,734,598	40,962,425	98
Hedged equity – fund of funds	773,834	—	—	773,834	2
Total investments	\$ 773,834	36,227,827	4,734,598	41,736,259	100 %

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	Investments measured at				% of Total
	NAV	Level 1	Level 2	Total 2023	
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	\$ 707,147	28,610,659	9,848,163	39,165,969	100 %

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, 2024 and 2023 is aggregated in the tables below based on redemption or sale period.

	2024	2023
Daily:		
Cash equivalents	\$ 1,810,965	963,617
Fixed Income	16,842,100	17,812,402
Equities	21,710,778	19,176,058
Commodities	598,582	506,745
Total daily	40,962,425	38,458,822
Semi-annually:		
Long/short	773,834	707,147
Total semi-annually	773,834	707,147
	\$ 41,736,259	39,165,969

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

	<u>2024</u>	<u>2023</u>
Investment return:		
Interest and dividends	\$ 1,383,894	1,023,245
Net realized gains/(losses)	1,915,598	(221,591)
Net unrealized gains	230,681	3,232,637
External investment fees	<u>(205,270)</u>	<u>(147,333)</u>
Net return on investments	\$ <u>3,324,903</u>	<u>3,886,958</u>

(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.

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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.

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 until 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's 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, 2024 and 2023, 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, 2024 and 2023:

	Without donor restrictions	With donor restrictions			Total funds
		Original gift	Accumulated gains (losses)	Total	
Year ended December 31, 2024:					
Board designated funds	\$ 13,570,369	1,000,000	184,922	1,184,922	14,755,291
Donor-restricted funds:					
Underwater funds	—	10,000	(2,267)	7,733	7,733
Other funds, including beneficial interest in perpetual trusts	—	4,656,297	11,108,201	15,764,498	15,764,498
Total endowment funds	\$ <u>13,570,369</u>	<u>5,666,297</u>	<u>11,290,856</u>	<u>16,957,153</u>	<u>30,527,522</u>

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	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	\$ <u>11,722,122</u>	<u>5,540,250</u>	<u>10,508,077</u>	<u>16,048,327</u>	<u>27,770,449</u>

	2024		
	Without donor restrictions	With donor restrictions	Total
Endowment net assets, beginning of year	\$ 11,722,122	16,048,327	27,770,449
Investment return:			
Investment income	324,496	417,548	742,044
External investment fees	(77,187)	(99,363)	(176,550)
Net appreciation – realized and unrealized	857,806	1,106,942	1,964,748
Total investment return	1,105,115	1,425,127	2,530,242
Contributions/Transfers	1,182,110	11,133	1,193,243
Change in value of beneficial interest in trusts	—	69,241	69,241
Appropriation of endowment assets for expenditure	(438,978)	(596,675)	(1,035,653)
Endowment net assets, end of year	\$ <u>13,570,369</u>	<u>16,957,153</u>	<u>30,527,522</u>

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	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>

(7) Property, Plant, and Equipment

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

	2024	2023
Land, buildings, and improvements	\$ 190,402,259	185,484,004
Furnishings and equipment	26,909,743	25,289,706
Construction in progress	1,680,211	1,616,976
	218,992,213	212,390,686
Less accumulated depreciation	(107,560,470)	(102,343,161)
	\$ <u>111,431,743</u>	<u>110,047,525</u>

Depreciation expense was \$5,217,309 and \$4,590,322 for the years ended December 31, 2024 and 2023, respectively.

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(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:

	<u>2024</u>	<u>2023</u>
Satisfaction of donor restriction	\$ 3,582,995	1,548,244
	<u>\$ 3,582,995</u>	<u>1,548,244</u>

(9) Bonds, Mortgages and Interest Payable

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

	<u>2024</u>	<u>2023</u>
Bonds:		
Massachusetts Development Finance Agency (MDFA): Fixed Rate Demand Revenue Bonds Series 2004A, due through 2032.	\$ 15,813,207	17,118,845
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	10,475,000
Massachusetts Development Finance Agency (MDFA): Variable Rate Demand Revenue Bonds Series 2015, due through 2032.	<u>7,808,163</u>	<u>8,098,427</u>
Total bonds payable	37,807,440	39,403,342
Less bond issue costs	<u>(481,689)</u>	<u>(545,231)</u>
Total bonds payable, net	<u>\$ 37,325,751</u>	<u>38,858,111</u>

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	<u>2024</u>		<u>2023</u>	
	<u>Principal</u>	<u>Accrued interest</u>	<u>Principal</u>	<u>Accrued interest</u>
Mortgages and Interest Payable:				
Public Facilities Department of City of Boston:				
Community Development Block Grant				
Promissory note, maturity date, December 31, 2025.	\$ 750,000	4,274,870	750,000	3,946,140
HOME Program Promissory note, maturity date, December 31, 2025	300,000	1,709,949	300,000	1,578,457
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
	<u>1,550,000</u>	<u>6,241,948</u>	<u>1,550,000</u>	<u>5,781,726</u>
Total mortgages and accrued interest payable	7,791,948		7,331,726	
Less mortgage issuance costs	<u>(756)</u>		<u>(1,518)</u>	
Total mortgages and accrued interest payable, net	<u>\$ 7,791,192</u>		<u>7,330,208</u>	

(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 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, 2024, the variable rate for the outstanding note was 5.5%. Additionally, while the future principal payments of the notes have been restructured to provide a more level amortization, the original maturity dates have not changed.

The private bank notes are subject to certain debt covenants, including debt service coverage ratio (DSCR), liquidity and leverage ratio requirements. In June 2022, the lender agreed again to modify its DSCR covenant to an EBIDA test for all the quarterly reporting periods through December 31, 2023. For 2024, the DSCR was reinstated for first quarter reporting period March 31, 2024. The Association was in full compliance with all covenants for each quarterly period in 2024.

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As collateral for the Demand 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 Bond and mortgages payable are as follows:

Year ending December 31:	
2025	\$ 3,204,844
2026	1,718,096
2027	1,783,929
2028	1,852,457
2029	1,923,796
Thereafter	<u>28,874,318</u>
	<u>\$ 39,357,440</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, 2024, the remaining notional value of the swap was \$7,808,163.

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 fair value of the swap agreement at December 31, 2024 and 2023 was \$483,364 and \$765,107, 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, 2024 and 2023 is classified in Level 2 of the fair value hierarchy.

(10) Operating Leases

Operating lease right-of-use lease assets were \$11,020,560 and \$4,453,320 as of December 31, 2024 and 2023, respectively. Operating lease liabilities were \$11,160,673 and \$4,561,841 as of December 31, 2024 and 2023, respectively. Total operating lease costs included in occupancy, transportation, and related costs during 2024 and 2023 were \$2,168,624 and \$1,340,328, respectively. The Association leases vehicles, office and fitness equipment, and office space including a ground lease under noncancelable operating leases that expire through 2103.

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The following summarizes the weighted-average remaining lease term and discount rate as of December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Weighted-average remaining lease term:		
Operating leases	13.49 Years	17.82 Years
Weighted-average discount rate:		
Operating leases	4.30 %	2.65 %

The maturities of operating lease liabilities as of December 31, 2024 are as follows:

2025	\$	2,953,203
2026		2,811,304
2027		2,017,614
2028		1,446,149
2029		1,242,208
Thereafter		<u>4,480,453</u>
Total future undiscounted lease payments		14,950,931
Less – present value discount/interest		<u>3,790,258</u>
Present value of lease liabilities	\$	<u>11,160,673</u>

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 unaffiliated 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 \$2,308,074 and \$2,003,505 for the years ended December 31, 2024 and 2023, respectively.

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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 its last reporting period (June 30, 2024).

(12) Contributed Nonfinancial Assets

The Association received the following contributions of nonfinancial assets for the years ending December 31, 2024 and 2023, respectively:

	<u>2024</u>	<u>2023</u>
Food	\$ 1,805,089	2,144,738
Data processing software and licenses	312,695	344,347
Space	70,942	419,185
Campaign promotion, supplies, food and awards	265,346	86,290
Program supplies	61,977	182,777
Legal expense	75,000	25,000
Other contributions in kind	—	21,623
	<u>\$ 2,591,049</u>	<u>3,223,960</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.

Contributed warehouse space was 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.

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(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. In September 2023, the Buyer exercised their option to purchase the Inn and moved 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, the project has been subject of litigation involving the Buyer and the City of Boston that has delayed closing.

In October 2024, the parties agreed to amend the PSA allowing the Buyers to extend the closing date to December 31, 2025 with options to extend through June 30, 2027, subject to certain conditions being met. In exchange for the extension of the closing date, the Buyers have agreed to pay an additional deposit of \$50,000 and pay an amount to YMCA equal to the operating costs of the property effective October 1, 2024. Such annual cost is estimated at \$160,000. Further, a portion of the YMCA's debt service costs and ground lease payments attributed to the Inn will be capitalized monthly and added to the final purchase price payable at closing. Capitalized costs through the now scheduled closing date of December 31, 2025 are estimated at \$700,000.

The YMCA continues to operate its YMCA location in Charlestown and 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 in conjunction with the closing of the sale.

(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 8, 2025 and subsequent events have been evaluated through that date.