

**YWCA NORTHEASTERN MASSACHUSETTS, INC.**

**DATA COLLECTION  
AUDIT REPORTING PACKAGE  
YEAR ENDED  
JUNE 30, 2020**

**WALSH & CO.  
ACCOUNTANTS & CONSULTANTS**

YWCA NORTHEASTERN MASSACHUSETTS, INC.

AUDIT REPORTING PACKAGE  
JUNE 30, 2020  
TABLE OF CONTENTS

Independent Auditor's Report .....	1 - 2
Consolidated Statement of Financial Position .....	3
Consolidated Statement of Activities and Changes in Financial Position.....	4
Consolidated Statement of Cash Flows .....	5
Consolidated Statement of Functional Expenses.....	6
Notes to Consolidated Financial Statements .....	7 - 18
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Government Auditing Standards.....	19-20
Report on Compliance for Each Major Program and On Internal Control over Compliance Required by the Uniform Guidance .....	21-23
Schedule of Expenditures of Federal Awards.....	24-25
Notes to Schedule of Expenditures of Federal Awards .....	26
Schedule of Findings and Questions Costs .....	27

# WALSH & CO.

---

ACCOUNTANTS & CONSULTANTS

## Independent Auditor's Report

Board of Directors  
YWCA Northeastern Massachusetts, Inc.  
Lawrence, Massachusetts

We have audited the accompanying consolidated financial statements of the YWCA Northeastern Massachusetts, Inc. (a non-profit corporation) and its subsidiary, which comprise the consolidated statement of financial position as of June 30, 2020, and the related consolidated statements of income and changes in net assets, and cash flows for the year then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We did not audit the financial statements of YWCA Fina House, LLC, a wholly-owned subsidiary, which statements reflect total assets constituting 37 percent of consolidated total assets at June 30, 2020, and total revenues constituting 2 percent of consolidated total revenues for the year then ended. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for YWCA Fina House, LLC, is based solely on the report of the other auditors. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Association's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

31 Church Street, Suite 2, Winchester, Massachusetts 01890  
tel (781) 721-0295 fax (781) 721-1674

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Opinion**

In our opinion, based on our audit and the report of the other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the YWCA Northeastern Massachusetts, Inc. and its subsidiary as of June 30, 2020, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

## **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated January 20, 2021, on our consideration of the YWCA Northeastern Massachusetts, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the YWCA Northeastern Massachusetts, Inc.'s internal control over financial reporting and compliance.

January 20, 2021  
Winchester, MA

Michael J. Walsh

*Michael J. Walsh*

Certified Public Accountant

YWCA NORTHEASTERN MASSACHUSETTS, INC.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2020

ASSETS:	<u>2020</u>
Current Assets:	
Cash and cash equivalents	\$ 1,665,897
Accounts receivable	767,058
Investments	12,891
Prepaid expenses and other	<u>108,492</u>
Total Current Assets	<u>2,554,338</u>
Fixed Assets:	
Land and buildings	11,762,248
Leasehold improvements	145,000
Equipment	443,968
Motor vehicle	<u>32,177</u>
Total Fixed Assets	12,383,393
Less: Allowance for depreciation	<u>(4,938,107)</u>
Property and Equipment, net	<u>7,445,286</u>
 TOTAL ASSETS	 <u>\$ 9,999,624</u>
 LIABILITIES AND NET ASSETS:	
Current Liabilities:	
PPP loan	\$ 965,300
Accounts payable and accrued expenses	715,589
Deferred revenue	385,345
Current portion of mortgage and notes payable	59,799
Other liability	<u>2,471</u>
Total Current Liabilities	<u>2,128,504</u>
Noncurrent Liabilities:	
Mortgage and notes payable, net of current portion	3,307,693
FINA accrued interest on loans	<u>1,044,899</u>
Total Noncurrent Liabilities	<u>4,352,592</u>
Total Liabilities	<u>6,481,096</u>
 Commitment and contingencies	
Net Assets	
Without donor restrictions	3,306,405
With donor restrictions	<u>212,123</u>
Net Assets	<u>3,518,528</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 9,999,624</u>

See accompanying notes.

YWCA NORTHEASTERN MASSACHUSETTS, INC.

CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
YEAR ENDED JUNE 30, 2020

	<u>Without Donor Restrictions</u>	<u>2020 With Donor Restrictions</u>	<u>Totals</u>
Support and Revenue:			
Merrimack Valley United Fund, Inc.			
Allotment	\$ 33,260		\$ 33,260
Grants	49,601	\$ 163,948	213,549
Program service fees	7,757,896		7,757,896
Gifts and contributions	149,196	133,473	282,669
Investment return	10,777		10,777
Other	1,044		1,044
Net assets released from restrictions	<u>85,298</u>	<u>(85,298)</u>	
Total Support and Revenue	<u>8,087,072</u>	<u>212,123</u>	<u>8,299,195</u>
Expenses:			
Program services:			
Counseling services	2,084,902		2,084,902
Children's Center	3,117,932		3,117,932
Girls Club	19,524		19,524
Health promotions	1,062,804		1,062,804
Residency	995,939		995,939
Community learning	2,276		2,276
FINA House	<u>154,493</u>		<u>154,493</u>
Total Program Services	7,437,870		7,437,870
Supporting Services:			
General and administrative	<u>813,574</u>		<u>813,574</u>
Total Expenses	8,251,444		8,251,444
Change in Net Assets	(164,372)	212,123	47,751
Net Assets, Beginning of year	3,530,572		3,530,572
Combination of FINA HOUSE	<u>(59,795)</u>		<u>(59,795)</u>
Net Assets, End of Year	<u>\$ 3,306,405</u>	<u>\$ 212,123</u>	<u>\$ 3,518,528</u>

See accompanying notes.

YWCA NORTHEASTERN MASSACHUSETTS, INC.  
CONSOLIDATED STATEMENT OF CASH FLOWS  
YEAR ENDED JUNE 30, 2020

Cash Flows from Operating Activities:	<u>2020</u>
Cash received from support and revenue	\$ 8,248,479
Cash paid to suppliers and employees	(7,955,616)
Investment income received	<u>10,777</u>
Net Cash Provided by Operating Activities	<u>303,640</u>
Cash Flows from Investing Activities:	
Capital expenditures additions from FINA HOUSE	(3,464,960)
Decrease in note receivable FINA HOUSE	479,894
Sales of investments	<u>956</u>
Net Cash Used in Investing Activities	<u>(2,984,110)</u>
Cash Flows from Financing Activities:	
Increase on notes payable, including FINA HOUSE	4,100,678
Decrease on line of credit	(100,000)
Combination of FINA HOUSE net assets	<u>(59,795)</u>
Net Cash Provided By Financing Activities	<u>3,940,883</u>
Change in Cash and Cash Equivalents	1,260,413
Cash and Cash Equivalents, Beginning of Year	<u>405,484</u>
Cash and Cash Equivalents, End of Year	<u>\$ 1,665,897</u>
Reconciliation of Increase in Net Assets To Cash Flows – Operating Activities:	
Increase in Net Assets	<u>\$ 47,751</u>
Adjustments to Reconcile Increase in Net Assets To Net Cash Provided By Operating Activities:	
Depreciation	303,511
Decrease in accounts receivable	6,257
Increase in prepaid expenses and other	(17,897)
Increase in accounts payable and accrued expenses	7,743
Decrease in deferred revenue	(46,196)
Increase in other liabilities	<u>2,471</u>
Total Adjustments	<u>255,889</u>
Net Cash Provided By Operating Activities	<u>\$ 303,640</u>
SUPPLEMENTAL DISCLOSURE:	
Cash paid during the year for interest	<u>\$ 85,640</u>

See accompanying notes.

YWCA NORTHEASTERN MASSACHUSETTS, INC.

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED JUNE 30, 2020

	<u>Counseling Services</u>	<u>Children's Center</u>	<u>Girl's Club</u>	<u>Health Promotions</u>	<u>Residency</u>	<u>Community Learning</u>	<u>FINA House</u>	<u>Program Services Total</u>	<u>General and Administrative</u>	<u>Total</u>
Salaries	\$ 1,155,691	\$ 1,802,741	\$ 550	\$ 222,609	\$ 476,067			\$ 3,657,658	\$ 609,465	\$ 4,267,123
Payroll Taxes	84,312	140,256	42	17,584	36,262			278,456	39,182	317,638
Fringe benefits	233,742	295,859	134	18,645	67,562	\$ 12		615,954	102,835	718,789
Facility operations/ maintenance	57,925	234,612	16,141	108,627	241,219	422	\$ 19,012	677,958	10,617	688,575
Depreciation	75,421	83,642		49,734	24,720		65,517	299,034	4,477	303,511
Insurance	13,034	22,996		30,887	56,134	312	8,371	131,734	3,294	135,028
Supplies/materials	14,350	48,617	809	6,214	8,086			78,076	3,221	81,297
Program support	30,430	27,908						58,338		58,338
Training	5,984	4,139	1,500	974	483			13,080	414	13,494
Food	955	108,029		1,048	522			110,554	1,019	111,573
Transportation	6,943	247,801		11,058	7,313			273,115	2,779	275,894
Direct care consultants	263,724			577,778	1,409			842,911		842,911
Professional/Admin	30,265	43,105	173	6,654	20,059	150	9,580	109,986	31,820	141,806
Commercial products and services	<u>112,126</u>	<u>58,227</u>	<u>175</u>	<u>10,992</u>	<u>56,103</u>	<u>1,380</u>	<u>52,013</u>	<u>291,016</u>	<u>4,451</u>	<u>295,467</u>
<b>TOTAL</b>	<u>\$ 2,084,902</u>	<u>\$ 3,117,932</u>	<u>\$ 19,524</u>	<u>\$ 1,062,804</u>	<u>\$ 995,939</u>	<u>\$ 2,276</u>	<u>\$ 154,493</u>	<u>\$ 7,437,870</u>	<u>\$ 813,574</u>	<u>\$ 8,251,444</u>

See accompanying notes.



YWCA NORTHEASTERN MASSACHUSETTS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2020

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities:

YWCA Northeastern Massachusetts, Inc. (the “YWCA”) is a charitable association organized as a not-for-profit corporation for purposes of supplying aid to and improving the Greater Lawrence community. The YWCA is dedicated to eliminating racism, empowering women and promoting peace, justice, freedom and dignity for all.

The YWCA developed a 24-unit transitional and permanent housing on Haverhill Street in Lawrence, Massachusetts (the “Project”), and formed a Massachusetts limited liability company, named YWCA Fina House, LLC (the “Fina House”) to act as owner of the Project, and a for-profit subsidiary of this Corporation to be named YWCA Fina House, Inc. (the “Managing Member”) to act as managing member of the LLC, with the YWCA serving as the initial member of the LLC along with the Managing Member. Fina House acquired the Project for the purpose of constructing it in order to receive an allocation of Low Income Housing Tax Credits (LIHTC) under Section 42 of the Internal Revenue Code (IRC).

The Project had been allocated LIHTC pursuant to IRC Section 42, which regulates the use of the Project as to occupant eligibility and unit gross rent, among other requirements. The Project met the provisions of these regulations for 15 years as of December 31, 2019. Fina House had received a reservation of LIHTC, under IRC Section 42, in the annual amount of approximately \$279,000 for ten years from the Massachusetts Department of Housing and Community Development (DHCD). The credits commenced in 2005 and ended in 2015. Additionally, Fina House has entered into an Extended Use Housing Agreement with DHCD which requires the Project to maintain the provisions of IRC Section 42 for a minimum of 30 years.

As of January 1, 2020, the financial results of YWCA Fina House, Inc. and YWCA Fina House, LLC owned by the YWCA Northeastern Massachusetts have been consolidated in the accompanying financial statements. As a result, all assets and liabilities of YWCA Fina House, Inc. and YWCA Fina House, LLC have been consolidated with the Association’s assets and liabilities and the statement of activities for the period January 1, 2020 through June 30, 2020 have been consolidated as well.

Promises To Give

Contributions are recognized when the donor makes a promise to give to the Association that is, in substance, unconditional. Contributions that are by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

The Association uses the allowance method to determine uncollectible unconditional promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made.

#### Financial Statement Presentation

The Association prepares its financial statements in accordance with generally accepted accounting standards and principles established by the Financial Accounting Standards Board (FASB). References to U.S. generally accepted accounting principles (U.S. GAAP) in these notes are to the FASB Accounting Standards Codification (ASC).

#### Recently Adopted Accounting Policies

The Association adopted ASU 2014-09, *Revenue from Contracts with Customers* and all subsequent amendments to the ASU (collectively, ASC 606). ASC 606 supersedes the revenue recognition requirements in Topic 605, Revenue Recognition, and requires the reporting entity to recognize revenues when control of promised goods or services is transferred to customers and at an amount that reflects the consideration to which it expects to be entitled in exchange for those goods or services. On January 1, 2020, the Fina House adopted ASC 606 using the modified retrospective method applied to those contracts which were not complete as of January 1, 2020 (the practical expedient elected).

There were no material changes in the timing of recognition of revenue and, therefore, there were no adjustments to the opening balance of net assets without donor restrictions. The Fina House does not expect the adoption of the new revenue standard to have a significant impact on its changes in net assets on an ongoing basis.

#### Net Assets

Net Assets without donor restrictions are those net resources that bear no external restrictions and are generally available for use by the Association.

Net assets with donor restrictions are amounts received or committed by donors with purpose or time restrictions that have not yet been met. All of the net assets with donor restrictions as of June 30, 2020 are for time or purpose.

#### Revenue Recognition

Government contracts and subcontracts revenue is recorded as services are provided and consists of unit-rate and cost reimbursable contract revenue. The unit-rate contract revenue is recognized based on the number of clients served. Cost reimbursable contract revenue is recognized to the extent of expenditures incurred.

Grants and contributions without donor restrictions are recorded as revenue when received or unconditionally pledged. Revenues from donor-restricted grants and contributions are recorded as revenue and net assets with donor restrictions when the Organization receives a commitment. Net assets with donor restrictions are reclassified to net assets without donor restrictions as costs are incurred or time restrictions or program restrictions have lapsed and are reported in the accompanying financial statements as net assets released from restrictions. Donor-restricted grants and contributions whose restrictions are met in the year they are received or pledged are recorded as net assets without donor restrictions.

All other revenues are recognized when earned.

Functional Allocation of Expenses:

Expenses related directly to a function are distributed to that function, while other expenses are allocated based upon management's estimate of the percentage attributable to each function.

Certain categories of expenses are attributable to more than one program or supporting function and are allocated on a reasonable basis that is consistently applied. The expenses that are allocated are salaries and related, which are allocated on the basis of estimates of time and effort; occupancy costs and depreciation, which are allocated on a square footage basis; and supplies, insurance, dues and fees, meetings and conferences, and telephone and internet, which are allocated based on usage and historical trends.

Investments

The Association has adopted the ASC, for Accounting for Certain Investments Held by Not-for-Profit Organizations. Under the ASC, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

Property and Equipment

The Association follows the practice of capitalizing, at cost, all expenditures for fixed assets in excess of \$5,000. Depreciation is computed using the straight-line basis over the estimated useful lives of the assets generally as follows:

Building and Improvements	20-40 years
Furniture and Equipment	5-10 years
Computer Equipment	3 years
Site Improvements	5-10 years

The YWCA reviews its investment in real estate for impairment whenever events or changes in circumstances indicate that the carrying value of such property may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the real estate to the future net discounted cash flow expected to be generated by the rental property and any estimated proceeds from the eventual disposition of the real estate. If the real estate is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the real estate exceeds the fair value of such property. There were no impairment losses recognized during the year ended June 30, 2020.

#### Amortization

Deferred financing costs relating to the mortgage notes payable are amortized over the term of the loan using the effective yield method, as required by U.S. GAAP. Unamortized deferred financing costs are presented as a deduction from the carrying value of the mortgage notes payable. Amortization expense on deferred financing costs has been included in interest expense on the statement of activities.

#### Income Taxes

The YWCA is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and applicable state law. The accounting standard on accounting for uncertainty in income taxes addresses determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under this guidance, the YWCA may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. There are no unrecognized tax benefits identified or recorded as liabilities for the year ended June 30, 2020.

The YWCA's tax returns, form 990, for the years ending June 30, 2017, 2018, 2019 and 2020 are subject to examination by the IRS, generally for three years after they are filed.

Fina House files a separate tax return and has elected to be treated as a pass-through entity for income tax purposes and, as such, is not subject to income taxes. Rather, all items of taxable income, deductions and tax credits are passed through to and are reported by its owners on their respective income tax returns. Fina House's federal tax status as a pass-through entity is based on its legal status as a limited liability company. Accordingly, Fina House is not required to take any tax positions in order to qualify as a pass-through entity. Fina House is required to file and does file tax returns with the Internal Revenue Service (IRS) and other taxing authorities. Accordingly, these financial statements do not reflect a provision for income taxes and Fina House has no other tax positions which must be considered for disclosure. Income tax returns filed by Fina House are subject to examination by the IRS for a period of three years.

#### Below Market Loans

IRC Section 42 governs the administration of the LIHTC program, a tax incentive program created to foster a legislated public policy directive of the United States to create low-income housing. Fina House was formed in order to create low-income housing in order to generate LIHTC for its members.

Governmental entities having a similar agenda to foster low-income housing, have lent money to Fina House at advantageous terms. Fina House has not discounted these below market loans as they were made to preserve the integrity of costs eligible for tax credits under IRC Section 42.

Cash and Cash Equivalents:

Cash equivalents consist of short-term, highly liquid investments, which are readily convertible into cash within nine months of purchase.

State Unemployment

The Association is self-insured (funded) for state unemployment benefits. As of June 30, 2020, the Association had approximately \$72,000 set aside to cover possible unemployment costs. In 2020, payments made for unemployment benefits totaled \$12,204.

Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 - ACCOUNTS RECEIVABLE- PROGRAMS

At June 30, the Association's receivables consisted of the following:

	<u>2020</u>
Receivables:	
Government program services	\$ 760,419
Other receivables	<u>6,639</u>
	<u>\$ 767,058</u>

NOTE 3 - SHORT TERM INVESTMENTS

The Association held \$12,891 in marketable equity securities at June 30, 2020. Total book and market value of short term investments was as follows at June 30:

		<u>2020</u>
	<u>Book</u>	<u>Market</u>
	<u>Value</u>	<u>Value</u>
Marketable equity securities	\$ 11,891	\$ 11,891
UST Realty Trust		
Preferred Stock (at cost)	<u>1,000</u>	<u>1,000</u>
	<u>\$ 12,891</u>	<u>\$ 12,891</u>

NOTE 4 - TRANSITIONAL AND PERMANENT HOUSING PROJECT (FINA HOUSE)

The Fina House consisted of one Managing Member, with a .01% share, YWCA Fina House, Inc., and one Investor Member, with a 99.99% share, Massachusetts Housing Equity Fund X, LLC (the Withdrawing Investor Member). On December 31, 2019, the Withdrawing Investor Member assigned 100% of its interest in the Fina House to the YWCA, the new Investor Member. Additionally, on December 31, 2019, the YWCA transferred .99% of its share to the Managing Member. Beginning January 1, 2020, the Managing Member's share is 1% and the new Investor Member's share is 99%. Except as otherwise specified in the operating agreement, all items of income, expense, gain, loss, tax credits, tax preferences and cash are allocated to the members based on those percentages.

Beginning January 1, 2020, the year end of the Fina House has been changed to June 30<sup>th</sup>.

YWCA Northeastern Massachusetts, Inc. has entered into various guaranty agreements with lenders to the YWCA Fina House, LLC related to the repayment of approximately \$2,540,000 as of June 30, 2020 of senior and subordinated debt associated with the construction of this facility.

YWCA Northeastern Massachusetts, Inc. received compensation for the management of the YWCA Fina House facility under an agreement with the YWCA Fina House LLC. These payments began in October 2005. For 2020, the YWCA reported revenues of \$75,056 related to this management contract with the YWCA Fina House LLC.

NOTE 5 - LONG-TERM DEBT

Long-term debt as of June 30, 2020 consisted of the following:

North Shore HOME Consortium

Note payable started on October 29, 2015 under HOME investment Partnerships Program and bears an interest rate at 0.00% with the entire balance due at maturity in October 2025. \$300,000

Enterprise Bank

Loan agreement of \$500,000 for renovation costs of the Haverhill facility with an interest rate of 4.93% per year for a fifteen year term. Monthly principal and interest payments of \$4,144 began December 2017. 400,887

Community Economic Development Assistance Corporation ("CEDAC")

Second mortgage note payable which had an interest rate of 0% per year. The YWCA is contingently liable to the lender for a sum of money from gross cash receipts that exceed 105% of cash expenditures on the rental units in the building located at 38 Lawrence Street. 126,903

People's United Bank

Fina House has a first mortgage note agreement with People's United Bank. The loan is secured by the Fina House property; with an interest rate of 4.1% per annum based on a 30-year amortization; the effective rate of interest rate over the life of the loan is approximately 4.27% over the life of the loan. The loan matures with a balloon payment due July 2026, at which time all outstanding and principal and interest are due. As of June 30, 2020, the outstanding principal loan balance of the first mortgage note payable was \$575,916 less unamortized deferred costs of \$5,848.

570,068

Community Economic Development Assistance Corporation (CEDAC)

Fina House has a shared second mortgage note agreement with CEDAC in the original amount of \$750,000. The loan is secured by the Fina House property and bore simple interest at a rate of 5.00% per annum until January 1, 2006, at which time the note was converted to a non interest-bearing note. The loan is payable at maturity, July 2034. Principal payments are required to the extent that Gross Cash Receipts exceed Gross Cash Expenditures, as defined in the loan agreement, by 105%. As of June 30, 2020, accrued interest amounted to \$35,504.

750,000

City of Lawrence

Fina House has a shared second mortgage note agreement with the City of Lawrence with an original amount of \$270,000. The loan is secured by the Fina House property and bears simple interest at a floating interest rate, based upon the applicable Federal rate, which was 1.01% as of June 30, 2020. The loan matures July 2024. Principal is due only on maturity or in an event of default. As of June 30, 2020, accrued interest amounted to \$147,206.

270,000

Department of Housing and Community Development (DHCD)

Second mortgage loan with DHCD. The loan is secured by the by the Fina House property; bears interest at 5.34% compounded annually and matures July 2034. All principal and interest is due only on maturity or an event of default. As of June 30, 2020, accrued interest was \$709,184.

550,000

Third mortgage note agreement with the HOME in the original amount of \$169,634. The loan is secured by the property, bears no interest and matures July 2034. All principal payments are due only on maturity.

169,634

Fourth mortgage note agreement with the City of Lawrence as a sub recipient from the U.S. Department of Housing and Urban Development in the original amount of \$230,000. The loan is secured by the property and bears simple interest at a fixed rate of 4.535%, based upon the timing of the initial draw downs. The loan matures April 2034. All principal and interest is due only on maturity or an event of default. As of June 30, 2020, accrued interest amounted to \$153,005. Repayment of loan is only required if a project fails to serve homeless persons for 20 years (or if funds are spent improperly).

	230,000
	3,367,492
Less: current portion	(59,799)
Net of current portion	\$ 3,307,693

For the year ended June 30, 2020, Gross Cash Receipts did not exceed Gross Cash Expenditures by 105% for the CEDAC loans and no payments were required.

Future maturities of long-term debt as of June 30, 2020 are as follows:

Year Ended <u>June 30</u>	<u>Amount</u>
2021	\$ 59,799
2022	62,580
2023	65,489
2024	68,535
2025	341,725
Thereafter	2,769,364
	\$ 3,367,492

**NOTE 6 - LINE OF CREDIT**

The Association has a \$300,000 revolving line of credit agreement on demand bearing interest at prime plus 0.5% per year, secured by all of the Organization's assets. The Association had no balance outstanding under the line of credit as of June 30, 2020. As of June 30, 2020, the interest rate was 3.75%.

**NOTE 7 - RESTRICTED DEPOSITS AND FUNDED RESERVES**

*(a) Replacement Reserve*

In accordance with the operating agreement, the Fina House is required to maintain a reserve for significant repairs and replacements. The reserve funds are held by a Massachusetts bank and can only be drawn upon with permission of the Managing Member. There are no required deposits.

The Fina House made no deposits or withdrawals during the six months ended June 30, 2020, and the account earned \$15 of interest. The balance in the replacement reserve as of June 30, 2020 was \$23,039.



*(b) Operating Reserve*

In accordance with the operating agreement, the Fina House is required to maintain a reserve for operating shortfalls. The reserve funds are held by a Massachusetts bank and can only be drawn upon with permission of the Managing Member. There are no required deposits.

The Fina House made no deposits or withdrawals during the six months ended June 30, 2020, and the account earned \$241 of interest. The balance in the operating reserve as of June 30, 2020 was \$136,185.

NOTE 8 – FACILITY LEASE

Future minimum payments under non cancellable operating leases as of June 30, 2020 are as follows:

Year ending	
<u>June 30</u>	<u>Amount</u>
2021	\$ 147,900
2022	126,000
2023	126,000
2024	126,000
2025	<u>42,000</u>
	<u>\$ 567,900</u>

NOTE 9 - RETIREMENT PLAN:

The Association participates in a defined contribution retirement plan covering its employees. The Plan is administered by the YWCA Retirement Fund, Inc. Employees who complete at least 1,000 hours of service in each year in two 12 month periods are eligible to participate in the Plan. The Plan is non-contributory however, employees who wish to may contribute over and above the Association's contribution. Retirement plan expense for the year ended June 30, 2020 was \$261,448.

NOTE 10 - DONATED SERVICES:

The Association receives donated services from a variety of unpaid volunteers which make significant contributions of their time in conjunction with programs and services. No amounts have been recognized in the accompanying statement of activities because the criteria for recognition of such volunteer effort has not been satisfied.

NOTE 11 - FINANCIAL INSTRUMENTS:

Concentrations of Credit Risk Arising From Cash Deposits in Excess of Insured Limits:

The Association maintains cash balances at several financial institutions located in the greater Lawrence area. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. The Association had approximately \$738,000 in deposits at banks that exceed the FDIC insured limits as of June 30, 2020.

NOTE 12- CONCENTRATIONS

Approximately eighty-five percent of the Association's accounts receivable at June 30, 2020 represents amounts due from Massachusetts' governmental agencies.

Approximately eighty-three percent of the Association's revenues for the year ended June 30, 2020 are from Massachusetts' governmental agencies.

NOTE 13- FAIR VALUE MEASUREMENTS

The Association reports under the Fair Value Measurements pronouncements of the FASB Accounting Standards Codification, which establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs of valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below.

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

Level 2 – Inputs to the valuation include:

- Quoted prices for similar assets or liabilities in active markets;
- Prices for identical or similar assets or liabilities in active markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

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

The asset's or liability's fair measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs at the closing price reported on the active market on which the individual securities are traded.

Following is a description of the valuation methodologies used for assets measured at fair value. There has been no change in the methodology used at June 30, 2020.

Cash and cash equivalents: Valued at acquisition cost.

Investments: Valued at market.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Association believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables set forth by level, with the fair value hierarchy, the Association's assets at fair value.

	<u>Assets at fair value as of June 30, 2020</u>	
	(In thousands)	
	<u>Level 1</u>	<u>Total</u>
Cash and cash equivalents	\$ 1,666	\$ 1,666
Investments	<u>13</u>	<u>13</u>
	<u>\$ 1,679</u>	<u>\$ 1,679</u>

Valuation and Income Recognition

The Association's cash and cash equivalents and investments as of June 30, 2020 are stated at fair value.

NOTE 14-LOAN PAYABLE – PPP LOAN

The Organization has a two year note in the amount of \$965,300 with a bank with an interest rate of 1.0%. Management believes this loan will be forgiven under the Paycheck Protection Program (PPP) established by the U.S. Small Business Administration (SBA). The proceeds were to be used solely for the purposes specified in and established by the Paycheck Protection Program and in no event be used for any other purpose.

The Organization will request forgiveness of the loan under the PPP and will need to submit satisfactory documentation to the SBA including an attestation as to the use of loan proceeds. If the SBA declines to forgive or guarantee any portion of the indebtedness for any reason, the Organization will remain liable for the loan and accrued interest.

NOTE 15- SURPLUS/DEFICIT REVENUE RETENTION

In accordance with the YWCA Northeastern Massachusetts, Inc.'s contracts with one of its principal funding sources, the Commonwealth of Massachusetts, the YWCA is allowed to retain a portion of its excess support and revenue over expenses in a fiscal year (the "surplus"). The YWCA may retain as its surplus up to 5% of total revenue from the Commonwealth during any fiscal year. In addition, the YWCA may retain a cumulative amount of surplus over a period of years not to exceed 20% of the prior years' total support and revenue from the Commonwealth.

NOTE 16 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Association's financial assets available within one year from the statement of financial position as of June 30, 2020 for general operating expenses are as follows:

	<u>2020</u>
Cash and cash equivalents	\$ 1,665,897
Accounts receivable	767,058
Investments	<u>12,891</u>
Total financial assets	2,445,846
Less – net assets with specific donor restrictions	<u>(212,123)</u>
Financial assets available to meet cash needs	
For general expenditures within one year	<u>\$ 2,233,723</u>

The Association manages liquidity by structuring financial assets to be available as general expenditures, liabilities, and other obligations come due. The Association invests cash in excess of short-term requirements in investments. As of June 30, 2020, the Association has financial assets exceeding three months of operating expenses.

NOTE 17 – SUBSEQUENT EVENTS

The Association has evaluated all subsequent events through January 20, 2021, the date the financial statements became available to be issued. There were no subsequent events that require adjustment to the financial statements.

In March 2020, the COVID-19 outbreak in the United States has resulted in the closures of many businesses and a marked reduction in economic activity. While this disruption is currently expected to be on-going, there is considerable uncertainty around the duration. The Association expects this matter to impact its operating results, but the related financial impact and duration cannot be reasonably estimated at this time.

# WALSH & CO.

---

ACCOUNTANTS & CONSULTANTS

REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON  
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

## Independent Auditor's Report

To the Board of Directors of  
YWCA Northeastern Massachusetts, Inc.  
Lawrence, Massachusetts

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of YWCA Northeastern Massachusetts, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, cash flows, and changes in net assets for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 20, 2021.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the consolidated financial statements, we considered YWCA Northeastern Massachusetts, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of YWCA Northeastern Massachusetts, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of YWCA Northeastern Massachusetts, Inc.'s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether YWCA Northeastern Massachusetts, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

January 20, 2021  
Winchester, MA

Michael J. Walsh

*Michael J. Walsh*

Certified Public Accountant

YWCA NORTHEASTERN MASSACHUSETTS, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2020

<u>Federal Grantor/Pass-Through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Grantor's Number</u>	<u>Federal Expenditures</u>
U.S. Department of Housing and Urban Development: Fina House/ McKinney units	14.235	01B712005	\$ 17,226
U.S. Department of Justice Passed through Massachusetts Department of Public Safety: Sexual Assault Services	16.017	45001054	98,262
U.S. Department of Agriculture Passed through Massachusetts' Department of Education: Nutrition Programs	10.558	70532117	4,401
National School Lunch Programs	10.555	70532112	<u>130,026</u>
			134,427
U.S. Department of Health and Human Services: Passed through Massachusetts' Department of Public Health: Injury Prevention & Control Research - Sexual Assault	93.136	45001056	93,364
PHHS Block Grant	93.991	45001002	60,317
Family Violence Prevention Services/ Domestic Violence: Shelter and Support	93.671	45701562	<u>118,202</u>
			271,883

Passed through Massachusetts' Department of Early Education and Care:			
Temporary Assistance for Needy Families	93.558	30004060	656,576
Child Care Programs	93.558	30003060	<u>110,568</u>
			767,144
 Child Care and Development Block Grant	93.575	30004060	45,802
	93.575	30003060	<u>379,890</u>
			425,692
 Child Care Mandatory & Matching Funds of Child Care & Development Fund	93.596	30004060	62,023
	93.596	30003060	<u>178,648</u>
			240,671
 TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 1,955,305</u>

See accompanying notes to schedule of expenditures of federal awards.



YWCA NORTHEASTERN MASSACHUSETTS, INC.  
Notes to the Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2020

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal award activity of YWCA Northeastern Massachusetts, Inc. under programs of the federal government for the year ended June 30, 2020. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of YWCA of Northeastern Massachusetts, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of the YWCA of Northeastern Massachusetts, Inc.

Note 2. Summary of Significant Accounting Policies

- a) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.
- b) Pass-through entity identifying numbers are presented where available.

# WALSH & CO.

---

ACCOUNTANTS & CONSULTANTS

REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY THE UNIFORM GUIDANCE

**Independent Auditor's Report**

To the Board of Directors of  
YWCA Northeastern Massachusetts, Inc.

**Report on Compliance for Each Major Federal Program**

We have audited YWCA Northeastern Massachusetts, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of YWCA Northeastern Massachusetts, Inc.'s major federal programs for the year ended June 30, 2020. YWCA Northeastern Massachusetts, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of YWCA Northeastern Massachusetts, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about YWCA Northeastern Massachusetts, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of YWCA Northeastern Massachusetts, Inc.'s compliance.

31 Church Street, Suite 2, Winchester, Massachusetts 01890  
tel (781) 721-0295 fax (781) 721-1674

### **Opinion on Each Major Federal Program**

In our opinion, YWCA Northeastern Massachusetts, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

### **Report on Internal Control Over Compliance**

Management of YWCA Northeastern Massachusetts, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered YWCA Northeastern Massachusetts, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of YWCA Northeastern Massachusetts, Inc.'s internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

**Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the consolidated financial statements of YWCA Northeastern Massachusetts, Inc., as of and for the year ended June 30, 2020, and have issued our report thereon dated January 20, 2021, which contained an unmodified opinion on those consolidated financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

January 20, 2021  
Winchester, MA

Michael J. Walsh

*Michael J Walsh*

Certified Public Accountant

YWCA NORTHEASTERN MASSACHUSETTS, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2020

A. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

1. The auditors' report expresses an unmodified opinion on the financial statements of YWCA Northeastern Massachusetts, Inc.
2. No significant deficiencies relating to the audit of the consolidated financial statements are reported in the Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.
3. No instances of noncompliance material to the financial statements of YWCA Northeastern Massachusetts, Inc. were disclosed during the audit.
4. There was no control deficiencies noted in internal control over major federal award programs disclosed in the Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance required by the Uniform Guidance.
5. The auditor's report on compliance for the major federal award programs for YWCA Northeastern Massachusetts, Inc. expresses an unmodified opinion on the major federal programs.
6. There were no audit findings that are required to be reported in accordance with Section 2 CFR 200.516(a).
7. The programs tested as major programs is as follows:

<u>Program</u>	<u>CFDA No.</u>
Child Care Programs	93.558
Child Care Programs	93.596
Child Care Programs	93.575
Supportive Housing Program	14.235

8. The threshold for distinguishing types A and B programs was \$750,000.
9. YWCA Northeastern Massachusetts, Inc. was determined to be a low-risk auditee.

B. FINDINGS – FINANCIAL STATEMENTS AUDIT  
None

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARDS PROGRAM  
AUDIT  
None