YWCA Northeastern Massachusetts, Inc. and Subsidiary

Consolidated Financial Statements,
Supplementary Information and
Other Reporting in Accordance with
Government Auditing Standards and Uniform Guidance

June 30, 2023 and 2022

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Independent Auditors' Report

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

Opinion

We have audited the accompanying consolidated financial statements of YWCA Northeastern Massachusetts, Inc. and Subsidiary (collectively referred to as the Organization), which comprise the consolidated statements of financial position as of June 30, 2023 and 2022, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2023 and 2022, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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. 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 Organization 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.

Change in Accounting Principle

As discussed in Note 1 to the consolidated financial statements, during the year ended June 30, 2023, the Organization changed the manner in which it accounts for leasing arrangements due to the adoption of Financial Accounting Standards Board Accounting Standards Codification Topic 842, *Leases*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the consolidated 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 consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Supplementary Consolidating Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information presented on pages 26 - 29 is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, changes in net assets and cash flows of the individual organizations, and it is not a required part of the consolidated 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 consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated 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* (Uniform Guidance), 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated 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 November 15, 2023, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 the effectiveness of the Organization's 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 Organization's internal control over financial reporting and compliance.

Baker Tilly US, LLP

Baker Tilly US, LLP
Tewksbury, Massachusetts
November 15, 2023

June 30	**2023**	2022
Assets		
Current Assets:		
Cash and Cash Equivalents	**$ 3,033,495**	$ 3,235,339
Certificates of Deposit	**1,066,009**	456,991
Accounts Receivable	**858,560**	704,378
Prepaid Expenses and Other Current Assets	**113,161**	59,452
Total Current Assets	**5,071,225**	4,456,160
Investments	**13,149**	12,984
Beneficial Interest In Trust	**58,536**	55,081
Property and Equipment, Net of Accumulated Depreciation	**7,550,088**	7,184,861
Operating Lease Right-of-Use Assets	**187,853**	-
Total Assets	**$ 12,880,851**	$ 11,709,086
Liabilities and Net Assets		
Current Liabilities:		
Current Maturities of Long-Term Debt, Net of Debt Issuance Costs	**$ 32,132**	$ 66,453
Accounts Payable and Accrued Expenses	**766,184**	1,085,944
Deferred Revenue	**41,486**	22,842
Current Portion of Operating Lease Liabilities	**146,301**	-
Total Current Liabilities	**986,103**	1,175,239
Long-Term Debt, Net of Current Maturities and Debt Issuance Costs	**449,212**	481,344
Contingent Loans and Grants	**3,762,197**	3,604,350
Operating Lease Liabilities, Net of Current Portion	**41,852**	-
Total Liabilities	**5,239,364**	5,260,933
Net Assets:		
Net Assets without Donor Restrictions	**7,507,951**	6,329,635
Net Assets with Donor Restrictions	**133,536**	118,518
Total Net Assets	**7,641,487**	6,448,153
Total Liabilities and Net Assets	**$ 12,880,851**	$ 11,709,086

For the Years Ended June 30

	2023			2022		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**	Without Donor Restrictions	With Donor Restrictions	Total
Operating Activities:						
Revenue and Other Support:						
Childcare Program Service Fees	**$ 5,076,975**	**$ -**	**$ 5,076,975**	$ 4,404,410	$ -	$ 4,404,410
Victim Service Program Service Fees	**3,764,378**	**-**	**3,764,378**	3,729,324	-	3,729,324
Grants	**920,399**	**-**	**920,399**	615,048	-	615,048
Contributions	**300,279**	**132,500**	**432,779**	379,272	64,436	443,708
Other Revenues	**147,685**	**-**	**147,685**	84,713	-	84,713
United Way Contributions	**52,120**	**-**	**52,120**	110,306	-	110,306
Other State Funding	**7,403**	**-**	**7,403**	250,000	-	250,000
Net Assets Released from Restriction	**120,937**	**(120,937)**	**-**	186,676	(186,676)	-
Total Revenue and Other Support	**10,390,176**	**11,563**	**10,401,739**	9,759,749	(122,240)	9,637,509
Operating Expenses:						
Program Services:						
Childcare Center	**4,630,731**	**-**	**4,630,731**	4,278,517	-	4,278,517
Residency	**1,093,869**	**-**	**1,093,869**	1,149,487	-	1,149,487
Domestic Violence Services	**1,202,712**	**-**	**1,202,712**	970,292	-	970,292
Sexual Assault Services	**916,836**	**-**	**916,836**	702,154	-	702,154
Health Promotions	**293,890**	**-**	**293,890**	254,944	-	254,944
Fina House, LLC	**229,090**	**-**	**229,090**	200,074	-	200,074
Total Program Services	**8,367,128**	**-**	**8,367,128**	7,555,468	-	7,555,468
General and Administrative	**923,051**	**-**	**923,051**	829,939	-	829,939
Total Operating Expenses	**9,290,179**	**-**	**9,290,179**	8,385,407	-	8,385,407
Increase (Decrease) in Net Assets from Operations	**1,099,997**	**11,563**	**1,111,560**	1,374,342	(122,240)	1,252,102
Nonoperating Activities:						
Gain on Extinguishment of Contingent Loan	**169,634**	**-**	**169,634**	-	-	-
Interest Expense	**(106,073)**	**-**	**(106,073)**	(117,869)	-	(117,869)
Investment Income	**14,758**	**-**	**14,758**	4,796	-	4,796
Net Change in Fair Value of Investments Held in Trust	**-**	**3,455**	**3,455**	-	(14,586)	(14,586)
Gain on Extinguishment of Long-Term Debt - Paycheck Protection Program	**-**	**-**	**-**	965,300	-	965,300
Gain on Insurance Settlement	**-**	**-**	**-**	711	-	711
Total Nonoperating Activities	**78,319**	**3,455**	**81,774**	852,938	(14,586)	838,352
Increase (Decrease) in Net Assets	**1,178,316**	**15,018**	**1,193,334**	2,227,280	(136,826)	2,090,454
Net Assets, Beginning of Year	**6,329,635**	**118,518**	**6,448,153**	4,102,355	255,344	4,357,699
Net Assets, End of Year	**$ 7,507,951**	**$ 133,536**	**$ 7,641,487**	$ 6,329,635	$ 118,518	$ 6,448,153

The accompanying notes are an integral part of these consolidated financial statements.

For the Year Ended June 30 **2023**

	Program Services								
	Childcare Center	Residency	Domestic Violence Services	Sexual Assault Services	Health Promotions	Fina House, LLC	Total Program Services	General and Administrative	Total
Salaries	$ 2,377,603	$ 487,863	$ 527,651	$ 584,744	$ 219,546	$ -	$ 4,197,407	$ 595,059	$ 4,792,466
Occupancy	776,154	263,286	118,407	81,091	-	55,239	1,294,177	3,595	1,297,772
Payroll Taxes and Employee Benefits	568,552	146,614	111,430	117,759	40,915	-	985,270	176,797	1,162,067
Direct Care Consultants	-	75,087	354,359	62,326	-	-	491,772	-	491,772
Transportation	399,597	-	19,049	4,387	-	-	423,033	-	423,033
Depreciation	110,511	74,445	32,890	19,181	15,336	126,263	378,626	9,992	388,618
Program Supplies	260,306	4,589	13,911	10,263	-	-	289,069	6,280	295,349
Professional Fees	65,988	9,322	14,171	14,635	-	-	104,116	82,881	186,997
Other Expense	41,193	12,731	738	14,806	8,137	27,278	104,883	3,954	108,837
Insurance	30,827	19,932	10,106	7,644	9,956	20,310	98,775	3,867	102,642
Fundraising	-	-	-	-	-	-	-	40,626	40,626
Total Expenses	$ 4,630,731	$ 1,093,869	$ 1,202,712	$ 916,836	$ 293,890	$ 229,090	$ 8,367,128	$ 923,051	$ 9,290,179

The accompanying notes are an integral part of these consolidated financial statements.

For the Year Ended June 30 2022

	Program Services								
	Childcare Center	Residency	Domestic Violence Services	Sexual Assault Services	Health Promotions	Fina House, LLC	Total Program Services	General and Administrative	Total
Salaries	$ 2,230,027	$ 609,777	$ 404,646	$ 426,563	$ 102,491	$ -	$ 3,773,504	$ 537,671	$ 4,311,175
Occupancy	585,793	169,320	92,775	68,291	55,890	29,971	1,002,040	1,873	1,003,913
Payroll Taxes and Employee Benefits	565,899	166,208	104,784	104,239	42,318	-	983,448	165,620	1,149,068
Direct Care Consultants	54	92,921	282,742	43,678	-	-	419,395	-	419,395
Transportation	390,027	4,646	1,386	2,907	14,507	-	413,473	489	413,962
Depreciation	133,980	41,759	34,258	19,252	2,777	127,001	359,027	5,487	364,514
Program Supplies	251,656	7,810	13,811	5,774	8,365	-	287,416	2,927	290,343
Professional Fees	17,900	11,636	4,117	4,230	6,162	-	44,045	75,820	119,865
Other Expense	77,715	25,839	23,878	22,782	15,105	19,877	185,196	-	185,196
Insurance	25,466	19,571	7,895	4,438	7,329	23,225	87,924	3,665	91,589
Fundraising	-	-	-	-	-	-	-	36,387	36,387
Total Expenses	$ 4,278,517	$ 1,149,487	$ 970,292	$ 702,154	$ 254,944	$ 200,074	$ 7,555,468	$ 829,939	$ 8,385,407

The accompanying notes are an integral part of these consolidated financial statements.

For the Years Ended June 30	**2023**	2022
Cash Flows from Operating Activities:		
Increase in Net Assets	**$ 1,193,334**	$ 2,090,454
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by Operating Activities:		
Gain on Extinguishment of Contingent Loan	**(169,634)**	-
Depreciation	**388,618**	364,514
Noncash Interest Expense	**85,592**	82,263
Noncash Interest Income	**(9,018)**	(1,267)
Net Change in Fair Value of Investments Held in Trust	**(3,455)**	14,586
Unrealized Gain on Investments	**(165)**	(193)
Gain on Forgiveness of Long-Term Debt - Paycheck Protection Program	**-**	(965,300)
Change in Operating Lease Right-of-Use Assets	**141,914**	-
(Increase) Decrease in Accounts Receivable	**(154,182)**	49,998
(Increase) Decrease in Prepaid Expenses and Other Current Assets	**(53,709)**	49,706
(Decrease) Increase in Accounts Payable and Accrued Expenses	**(319,760)**	337,109
Increase (Decrease) in Deferred Revenue	**18,644**	(163,835)
Decrease in Operating Lease Liabilities	**(141,614)**	-
Increase in Contingent Loans and Grants	**243,000**	-
Net Cash Provided by Operating Activities	**1,219,565**	1,858,035
Cash Flows from Investing Activities:		
Acquisition of Property and Equipment	**(753,845)**	(400,979)
Purchases of Certificates of Deposits	**(600,000)**	-
Net Cash Used in Investing Activities	**(1,353,845)**	(400,979)
Net Cash Used in Financing Activities:		
Repayments of Long-Term Debt	**(67,564)**	(365,333)
Net (Decrease) Increase in Cash and Cash Equivalents	**(201,844)**	1,091,723
Cash and Cash Equivalents, Beginning of Year	**3,235,339**	2,143,616
Cash and Cash Equivalents, End of Year	**$ 3,033,495**	$ 3,235,339
Supplemental Disclosure of Cash Flow Information:		
Cash Paid During the Year for Interest	**$ 24,323**	$ 25,146

Supplemental Disclosure of Noncash Investing Activities:

During the years ended June 30, 2022, the Organization disposed of fully depreciated property and equipment with an original cost of $6,100.

1. Organization and Summary of Significant Accounting Policies:

Principles of Consolidation: The accompanying consolidated financial statements include the accounts of YWCA Northeastern Massachusetts, Inc. (the Parent), and its wholly-owned subsidiary, YWCA Fina House, LLC (the Subsidiary), collectively referred to as "the Organization."

Nature of Organization: YWCA Northeastern Massachusetts, Inc. ("the YWCA" or "the Parent") is a nonprofit organization incorporated on April 22, 1899 in the Commonwealth of Massachusetts for the 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, YWCA Fina House, LLC ("Fina House") to act as owner of the Project. 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 10 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.

Fina House: Fina House was established in 2004 and 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 Fina House to the YWCA (the new Investor Member). Additionally, on December 31, 2019, the YWCA transferred .99% interest to the Managing Member. Beginning January 1, 2020, the Managing Member's share was 1% and the new Investor Member's share was 99%. As of December 31, 2020, the Managing Member transferred its 1% interest in Fina House to the YWCA and the Managing Member was dissolved. As of January 1, 2021, the YWCA is the sole member of Fina House.

Basis of Presentation: The consolidated financial statements of the Organization have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). Any reference in these notes to applicable guidance is meant to refer to the authoritative United States generally accepted accounting principles as found in the Accounting Standards Codification (ASC) and Accounting Standards Updates (ASU) of the Financial Accounting Standards Board (FASB).

The Organization reports information regarding its financial position and activities according to the following net asset classifications:

Net Assets without Donor Restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and Board of Directors. Net assets without donor restrictions include net assets designated by the board for specific purposes.

Net Assets with Donor Restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

1. Organization and Summary of Significant Accounting Policies (Continued):

Measure of Operations: The consolidated statements of activities report all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to the Organization's ongoing program services and supporting services. Nonoperating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

Fair Value Measurements: The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

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

Level 2 - Inputs to the valuation methodology include:

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

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

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

Revenue Recognition: Revenue is reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Revenue represents amounts derived from program service fees, rental income, grant revenue, contributions, and service and cost reimbursement contracts.

Revenue is recognized when control of the goods and services provided is transferred to the Organization's customers and in an amount that reflects the consideration the Organization expects to be entitled to in exchange for those goods and services using the following steps: 1) identification of the contract, or contracts with a customer, 2) identification of performance obligations in the contract, 3) determination of the transaction price, 4) allocation of the transaction price to the performance obligations in the contract and 5) recognition of revenue when or as the Organization satisfies the performance obligations.

Revenue from program service fees is recorded when delivery of the service occurs.

Rental income is recorded monthly as the right of use has occurred over the one year term of the lease, provided persuasive evidence of an arrangement exists, the fee is fixed or determinable and the collectability of the related receivable is probable. Rental payments received in advance are deferred until earned. Rental income is included in other revenue in the statements of activities.

The Organization typically invoices its customers as services are provided. Summer camp enrollment fees are invoiced in advance of summer camp. Typical payment terms provide that customers pay upon receipt of the invoice.

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions.

1. Organization and Summary of Significant Accounting Policies (Continued):

Donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long contributed assets must be used are recorded as net assets with donor restrictions. Otherwise, the contributions are recorded as net assets without donor restrictions.

Contributions of services are reported as revenue and expenses without donor restrictions at the fair value of the service received only if the services create or enhance a nonfinancial asset or would typically need to be purchased by the Organization if they had not been provided by contribution, require specialized skills, and are provided by individuals with those skills. Contributions of goods and space to be used in program operations are reported as revenue and expenses without donor restrictions at the time the goods or space is received.

Several volunteers have made significant contributions of their time in furtherance of the Organization's mission. These services were not reflected in the accompanying consolidated statements of activities because they do not meet the necessary criteria for recognition under GAAP.

The Organization must determine whether a contribution (or a promise to give) is conditional or unconditional for transactions deemed to be a contribution. A contribution is considered to be a conditional contribution if an agreement includes a barrier that must be overcome and either a right of return of assets or a right of release of a promise to transfer assets exists. Indicators of a barrier include measurable performance related barrier or other measurable barriers, a stipulation that limits discretion by the recipient on the conduct of an activity, and stipulations that are related to the purpose of the agreement. The Organization cannot consider probability of compliance with the barrier when determining if such awards are conditional and should be reported as conditional grant advance liabilities until such conditions are met.

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at present value of their estimated future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Discount amortization is included in contribution revenue. Conditional promises to give are not included as support until the conditions are met.

Grant revenue is recognized as reimbursable expenses are incurred and upon meeting the legal and contractual requirements of the funding source.

In addition, the Organization's programs are supported by contracts negotiated with various agencies of the Commonwealth of Massachusetts. Therefore, the Organization is subject to regulations and rate formulas. Excess of revenue over expenses from the Commonwealth of Massachusetts supported programs, up to certain defined limits, can be utilized by the Organization for expenditures in accordance with its exempt purpose, provided such expenditures are reimbursable under the Operational Services Division's regulations. Amounts in excess of these limits are subject to negotiated use or potential recoupment and are reported as a liability.

Accounts Receivable: Accounts receivable are stated at the amount management expects to collect from outstanding balances related to the Organization's state grants and contracts. An allowance for doubtful accounts is provided for those accounts receivable considered to be uncollectible based upon management's assessment of the collectability of accounts receivable, which considers historical write-off experience and any specific risks identified in customer collection matters. Bad debts are written off against the allowance when identified. As of June 30, 2023 and 2022, management believes no allowance for uncollectible accounts receivable is necessary.

Contract Balances: The Organization's contract balances, resulting from contracts with customers, include deferred revenue. Deferred revenue represents payments received for which the aforementioned revenue recognition criteria have not been met.

1. Organization and Summary of Significant Accounting Policies (Continued):

Opening and closing balances for contract balances from contracts with customers consist of the following:

	June 30, 2023	June 30, 2022	July 1, 2021
Deferred Revenue	$ 41,486	$ 22,842	$ 186,677

Cash and Cash Equivalents: The Organization maintains its cash in bank deposit accounts, which, at times, may exceed federally insured limits. The Organization considers highly liquid investments with original maturities of three months or less when purchased to be cash equivalents.

Restricted Deposits and Funded Reserves:

- *Replacement Reserve*: In accordance with the operating agreement, the Fina House is required to maintain a reserve for significant repairs and replacements. As of June 30, 2023 and 2022, the balance of the replacement reserve included in cash and cash equivalents on the accompanying consolidated statements of financial position amounted to $31,240 and $31,226, respectively.

- *Operating Reserve*: In accordance with the operating agreement, the Fina House is required to maintain a reserve for operating shortfalls. As of June 30, 2023, the balance in the operating reserve in cash and cash equivalents on the accompanying consolidated statement of financial position amounted to $136,580 and $135,512, respectively.

Certificates of Deposit: The Organization's cash management program also provides for investment of excess cash in certificates of deposits with an original maturity of greater than three months but no more than twelve months when purchased.

Investments and Investment Income: The Organization's investments are reported at fair value as of the date of the consolidated statements of financial position. Realized and unrealized gains and losses are reflected in the accompanying statements of activities. Investment income or loss on investments (including realized and unrealized gains and losses on investments, interest and dividends) is included in net assets without donor restrictions unless the income or loss is restricted by donor or law.

Concentrations of Credit Risk: Financial instruments that potentially subject the Organization to concentration of credit risk consist primarily of cash, cash equivalents, certificates of deposit, investments, and accounts receivable. The Organization maintains its cash, cash equivalents, certificates of deposit, and investments with high-credit quality financial institutions. The Organization believes it is not exposed to any significant losses due to credit risk on cash, cash equivalents, certificates of deposit, and investments. Accounts receivable are carried at amounts based upon management's judgment of potential defaults. Management identifies troubled receivables balances by assessing the customer's credit worthiness. As of June 30, 2023 and 2022, management has determined all receivables are collectible and an allowance for doubtful accounts is not necessary.

Other Risks and Uncertainties: Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in the values of the investment securities will occur in the near term and that such changes could materially affect the amounts reported in the consolidated statements of financial position.

Beneficial Interest in Trust: The Organization is the beneficiary named to receive income earned in a trust, of which the original principal endowment is invested and maintained by independent trustees. The Organization has recorded its beneficial interest in the trust at the fair value of the trust assets on the accompanying consolidated statements of financial position and the related net change in fair value of investments held in trust on the accompanying consolidated statements of activities.

1. Organization and Summary of Significant Accounting Policies (Continued):

Property and Equipment: Property and equipment are recorded at cost on the date of acquisition. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets, as follows:

Land and Buildings	10 - 40 Years
Equipment	3 - 10 Years
Leasehold Improvements	10 Years
Motor Vehicles	6 Years

Impairment of Long-Lived Assets: It is required that long-lived assets, including purchased intangible assets with finite lives, be reviewed for possible impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. As of June 30, 2023 and 2022, the Organization has determined that there have been no significant events or changes in circumstances that would trigger impairment testing of the Organization's long-lived assets.

Leases: In 2016, the FASB issued ASU 2016-02, *Leases* (ASC 842). ASU 2016-02 and all related amendments replaces the leasing standards under ASC 840 and expands disclosure requirements for leasing arrangements.

Effective July 1, 2022, the Organization adopted the guidance and expanded disclosure requirements under ASC 842 using the modified retrospective approach. The Organization's consolidated financial statements as of and for the year ended June 30, 2022 continue to be accounted for under ASC 840 and have not been adjusted.

ASC 842 requires lessees to recognize the assets and liabilities that arise from leases on the statement of financial position. At the lease commencement date, leases are classified as either finance leases or operating leases with the associated right-of-use asset and lease liability measured at the net present value of future lease payments. Operating lease right-of-use assets are expensed on a straight-line basis as lease expense over the non-cancelable lease term. Lease expense for the Organization’s finance leases is comprised of the amortization of the right-of-use asset and interest expense recognized based on the effective interest method.

Upon transition to ASC 842, the Organization elected the package of practical expedients permitted under the transition guidance, which does not require the Organization to reassess prior conclusions regarding whether contracts are or contain a lease, lease classification and initial direct lease costs.

At the date of adoption, the Organization recorded operating lease right-of-use assets and lease liabilities in the amounts of $329,767 and $329,767, respectively. At the date of adoption, the Organization had no leases classified as finance leases.

The Organization determines if an arrangement is a lease at inception. An arrangement is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined as having both the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset. The Organization reassesses its determination if the terms and conditions of the arrangement are changed. Leases are classified at the commencement date, the date on which the lessor makes the underlying asset available to the lessee, as either operating or finance leases based on the economic substance of the lease.

Lease right-of-use (ROU) assets and related lease liabilities are recognized on the statement of financial position. ROU assets represent the Organization's right to use an underlying asset for the lease term, and the corresponding lease liabilities represent the Organization's obligation to make lease payments arising from the lease. Lease ROU assets and lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at commencement date. The Organization determines the present value of lease payments using the implicit rate when readily determinable. When the implicit rate is not readily determinable, the Organization has made the private company election to utilize a risk-free discount rate for a period comparable with that of the lease term for all classes of underlying assets.

1. Organization and Summary of Significant Accounting Policies (Continued):

Lease ROU assets also include any lease payments made at or before commencement date, net of lease incentives, and initial direct costs incurred. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise the option.

Right-of-use assets are assessed for impairment in accordance with the Organization's long-lived asset policy. The Organization reassesses lease classification and remeasures right-of-use assets and lease liabilities when a lease is modified and that modification is not accounted for as a separate new lease or upon certain other events that require reassessment in accordance with ASC 842.

The Organization has elected the policy to not separate lease and nonlease components for all classes of underlying assets.

The Organization has elected not to apply the recognition requirements to all leases with an original term of 12 months or less, for which the Organization is not likely to exercise a renewal option or purchase the asset at the end of the lease; rather, lease payments for short-term leases are recognized on a straight-line basis over the lease term.

Significant Judgments: The Organization's evaluation of whether an arrangement is a lease often requires consideration of whether the Organization has obtained substantially all rights to control an identifiable underlying asset, whether the lessor has substantive substitution rights and whether the arrangement contains an embedded lease. The Organization's consideration of these factors may require significant judgment.

For operating leases, lease expense for lease payments is recognized on a straightline basis over the lease term. For finance leases, lease expense includes amortization expense of the ROU asset recognized on a straightline basis over the lease term and interest expense recognized on the finance lease liability.

Operating leases are included in operating lease ROU assets and current and noncurrent operating lease liabilities on the accompanying consolidated statement of financial position as of June 30, 2023. As of June 30, 2023, the Organization had no finance leases.

Debt Issuance Costs: The Organization presents debt issuance costs as a direct deduction from the carrying amount of the related debt liability. Debt issuance costs are amortized to interest expense over the term of the related debt.

Contingent Loans and Grants: The Organization has contingent loans and grants from various organizations to assist in the development of its housing and other projects. These loans generally are not required to be repaid unless the projects fail to comply with certain conditions, as defined in the respective agreements. It is the intention of the Organization to maintain these projects to meet the conditions as outlined in the respective loan agreements; therefore these loans have been classified as contingent loans and grants on the accompanying consolidated statements of financial position.

Fundraising Event: During the year ended June 30, 2023 and 2022, the Organization incurred fundraising expenses that directly benefited donors in the approximate amount of $40,600 and $36,400, respectively. These direct expenses are immaterial to the financial statements and have been included in general and administrative expenses in the accompanying consolidated statements of activities.

Functional Allocation of Expenses: The costs of providing the Organization's program and other activities have been summarized on a functional basis in the consolidated statements of activities. Expenses related directly to program services or supporting activities are charged directly while other expenses that are common to several functions are allocated based on management's estimates, among major classes of programs services and supporting activities.

1. Organization and Summary of Significant Accounting Policies (Continued):

The expenses that are allocated include the following:

Expense	Method of Allocation
Salaries	Time and Effort
Payroll Taxes and Employee Benefits	Time and Effort
Occupancy	Square Footage
Depreciation	Square Footage
Insurance	Time and Effort

Income Taxes: The Organization is a nonprofit Organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes on trade or business profits generated by activities related to the Organization's exempt function. The Organization may be subject to federal and state income taxes for profits generated from trade or business activities unrelated to the Organization's exempt function. As of June 30, 2023 and 2022, management believes that the Organization has not generated any unrelated business taxable income.

The Organization assesses the recording of uncertain tax positions by evaluating the minimum recognition threshold and measurement requirements a tax position must meet before being recognized as a benefit in the consolidated financial statements. The Organization's policy is to recognize interest and penalties accrued on any uncertain tax positions as a component of income tax expense, if any, in its consolidated statements of activities. The Organization has not recognized any liabilities for uncertain tax positions or unrecognized benefits as of June 30, 2023 and 2022. The Organization does not expect any material change in uncertain tax benefits within the next 12 months.

Use of Estimates: Management has used estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities in its preparation of the consolidated financial statements in accordance with GAAP. Actual results experienced by the Organization may differ from those estimates.

Subsequent Events: Management has evaluated subsequent events spanning the period from June 30, 2023 through November 15, 2023, the date the consolidated financial statements were available to be issued.

2. Availability and Liquidity:

The following reflects the Organization's financial assets as of June 30, 2023 and 2022, reduced by amounts not available for general use within one year of June 30, 2023 and 2022 due to contractual or donor-imposed restrictions.

Financial Assets at End of Year:	2023	2022
Cash and Cash Equivalents	$ 3,033,495	$ 3,235,339
Certificates of Deposit	1,066,009	456,991
Accounts Receivable	858,560	704,378
Investments	13,149	12,984
Beneficial Interest In Trust	58,536	55,081
Total Financial Assets at End of Year	5,029,749	4,464,773
Less: Amounts Unavailable for General Expenditures within One Year:		
Due to Contractual or Donor-Imposed Restriction:		
Restricted by Donor with Time or Purpose Restrictions	75,000	63,437
Beneficial Interest in Herbert Kershaw Trust	58,536	55,081
Board Designations:		
Replacement Reserve and Operating Reserve	167,820	166,738
	301,356	285,256
Financial Assets Available to Meet Cash Needs for General Expenditures over the Next 12 Months	$ 4,728,393	$ 4,179,517

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations may come due. In addition, the Organization invests cash in excess of daily requirements in long-term investments.

3. Related Party Transactions:

Related Party Member: As of June 30, 2023 and 2022, a member of the Organization's Board of Directors (the Related Party Member) also served as an officer at a local bank (the Related Party Bank) where the Organization has approximately $2,317,000 and $2,173,000, respectively, on deposit. As of June 30, 2022, the Organization also had an outstanding balance under a loan agreement in the approximate amount $36,000, which the full outstanding principal and accrued interest was repaid in full during the year ended June 30, 2023 (see Note 8). During the year ended June 30, 2022, the Organization's Paycheck Protection Program loan of $965,300 through the Related Party Bank was forgiven..

4. Investments:

Investments as of June 30, 2023 and 2022 consist of the following:

	2023	2022
Mutual Funds	$ 11,004	$ 11,272
Equity Securities	2,145	1,712
	$ 13,149	$ 12,984

For the years ended June 30, 2023 and 2022, net investment income consists of the following:

	2023	2022
Interest and Dividends	$ 14,593	$ 4,603
Net Unrealized Gains	165	193
	$ 14,758	$ 4,796

5. Fair Value Measurements:

Assets measured at fair value on a recurring basis as of June 30, 2023 and 2022 are as follows:

	Fair Value Measurements at June 30, 2023			
	Totals	Level 1	Level 2	Level 3
Assets:				
Investments:				
Mutual Funds	$ 11,004	$ 11,004	$ -	$ -
Equity Securities	2,145	2,145	-	-
	13,149	13,149	-	-
Beneficial Interest in Trust	58,536	-	-	58,536
	$ 71,685	$ 13,149	$ -	$ 58,536

	Fair Value Measurements at June 30, 2022			
	Total	Level 1	Level 2	Level 3
Assets:				
Investments:				
Mutual Funds	$ 11,272	$ 11,272	$ -	$ -
Equity Securities	1,712	1,712	-	-
	12,984	12,984	-	-
Beneficial Interest in Trust	55,081	-	-	55,081
	$ 68,065	$ 12,984	$ -	$ 55,081

Certificates of deposit are carried at the cost and accrued interest income of the certificates and are not included in the fair value hierarchy above. Certificates of deposit as of June 30, 2023 and 2022 amounted to $1,066,009 and $456,911, respectively.

5. Fair Value Measurements (Continued):

The following is a description of the valuation methodologies used for investments measured at fair value. There have been no changes in the methodologies used for the years ended June 30, 2023 and 2022.

Mutual Funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Organization are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Organization are deemed to be actively traded.

Equity Securities: Valued based on quoted prices in active markets on which the individual securities are traded.

The Organization's Level 3 beneficial interest in trust is measured at the fair value of those financial assets based on the Organization's proportionate share of the trust. The trusts assets consist of cash, mutual funds, equity securities, and fixed income securities. Absent of the development of quantitative unobservable inputs by the Organization, the fair value for these assets is based on third-party pricing information, without adjustment by the Organization.

Investments are exposed to various risks such as interest rate, credit, and overall market volatility. As such, it is reasonably possible that changes in the values of investments will occur in the near term. These changes could materially affect the amounts reported in the consolidated statements of financial position and activities and the Organization’s changes in net assets.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization 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 table below sets forth a summary of changes in the fair value of the Organization's Level 3 investment assets for the years ended June 30, 2023 and 2022:

	Beneficial Interest in Trust
Balance as of June 30, 2021	$ 69,667
Change in Fair Value	(14,586)
Balance as of June 30, 2022	55,081
Change in Fair Value	3,455
Balance as of June 30, 2023	$ 58,536

6. Property and Equipment:

Property and equipment as of June 30, 2023 and 2022 consists of the following:

	2023	2022
Land	$ 106,357	$ 106,357
Buildings	12,860,154	12,106,309
Equipment	528,595	528,595
Leasehold Improvements	145,000	145,000
Motor Vehicles	32,177	32,177
	13,672,283	12,918,438
Less: Accumulated Depreciation	6,122,195	5,733,577
	$ 7,550,088	$ 7,184,861

Depreciation expense for the year ended June 30, 2023 and 2022 amounted to $388,618 and $364,514, respectively.

7. Leasing Arrangements:

The Organization leases facilities under operating lease arrangements, which expire on various dates through October 2024. The Organization's lease agreements do not include any options for extension.

Operating right-of-use assets and lease liabilities as of June 30, 2023 are as follows:

Right-of-Use Assets:	
Operating Leases	$ 187,853
Lease Liabilities	
Current	$ 146,301
Long-Term	41,852
Total Lease Liabilities	$ 188,153

The components and classification of lease expense for the year ended June 30, 2023 are as follows:

Component	Classification	
Operating Lease Expense	Program Services	$ 149,100
Total Lease Expense		$ 149,100

7. Leasing Arrangements (Continued):

The weighted average remaining lease term and discount rate for operating leases as of June 30, 2023 were as follows:

Weighted Average Remaining Lease Term:	1.29 Years
Weighted Average Discount Rate:	2.84%

Future minimum operating lease payments as of June 30, 2023 are as follows:

Year Ending June 30,	
2024	$ 149,400
2025	42,000
Total Future Minimum Lease Payments	191,400
Less: Present Value Discount	3,247
Present Value of Lease Liabilities	188,153
Less: Current Portion	146,301
Long-Term Portion	$ 41,852
Cash Paid for Amounts Included in Measurement of Lease Liabilities: Operating Cash Flows from Operating Leases	$ 148,800

During the year ended June 30, 2022, the Organization was party to certain noncancelable operating lease arrangements for program space in Lawrence, Massachusetts and office space in Lynn, Massachusetts expiring on various dates through October 31, 2024. During the year ended June 30, 2022, rent expense incurred under these arrangements amounted to $135,300.

8. Long-Term Debt:

Long-term debt as of June 30, 2023 and 2022 consists of the following:

	Principal	Unamortized Debt Issuance Costs	Principal	Unamortized Discount and Debt Issuance Costs
Mortgage note agreement with a bank for borrowings in the amount of $900,000, which is secured by Fina House property and bears interest at a fixed rate of 4.10% per annum based on a 30-year amortization; the effective rate of interest over the life of the loan is approximately 4.27%. This loan matures with a balloon payment due in February 2026, at which time all outstanding principal and interest are due. Monthly principal and interest payments of $4,377 began in March 2005.	$ 484,773	$ 3,429	$ 516,423	$ 4,235
Loan agreement with a bank for borrowings in the amount of $500,000 to support renovation costs of the Haverhill facility. The loan bears interest at a fixed rate of 4.93% per annum and matures in October 2030. Monthly principal and interest payments of $4,144 began in December 2017. The entire principal balance remaining at June 30, 2022 was repaid in 2023.	-	-	35,609	-
Total Long-Term Debt	484,773	3,429	552,032	4,235
Less: Current Maturities of Long-Term Debt	32,938	806	67,259	806
Long-Term Debt, Net of Current Maturities	$ 451,835	$ 2,623	$ 484,773	$ 3,429

Maturities of long-term debt, before unamortized debt issuance costs, as of June 30, 2023, are as follows:

Year Ending June 30,	
2024	$ 32,938
2025	34,387
2026	35,844
2027	381,604
	$ 484,773

9. Contingent Loans and Grants:

As of June 30, 2023 and 2022, the Organization has the following contingent loan and grant agreements:

- The Organization is party to two noninterest-bearing loan agreements with the North Shore HOME Consortium under the Federal "HOME" Investment Partnership Program in the aggregate amount of $300,000. These agreements are both due to mature on October 29, 2025, at which time the Organization can apply for an extension, as defined.

- The Organization is party to a noninterest-bearing loan agreement with the Community Economic Development Assistance Corporation (CEDAC) in the amount of $126,903 under the Housing Innovations Fund II Program. This agreement is due to mature in April 2027, at which time the Organization can apply for an extension, as defined.

- The Organization is party to a 4.535% interest-bearing loan agreement with the City of Lawrence under the Supportive Housing Program in the amount of $230,000. This agreement matures in April 2024, at which point the loan and accrued interest are eligible for forgiveness, as defined. As of June 30, 2023 and 2022, the Organization had recorded accrued interest related to this agreement in the amounts of $184,294 and $173,864, respectively.

- The Organization is party to a 5.35% interest-bearing loan agreement with the Commonwealth of Massachusetts under the Federal "HOME" Investment Partnerships Program in the amount of $550,000. The loan is due to mature on July 20, 2034, at which time the Organization can apply for an extension, as defined. As of June 30, 2023 and 2022, the Organization had recorded accrued interest related to this agreement in the amounts of $905,659 and $840,168, respectively.

- The Organization is party to a loan agreement with the City of Lawrence under the Federal "HOME" Investment Partnership Program in the amount of $270,000, which matures on July 20, 2024 and bears interest at an applicable Federal Funds rate, as defined (3.17% as of June 30, 2023). As of June 30, 2023 and 2022, the Organization had recorded accrued interest related to this agreement in the amounts of $166,838 and $158,278, respectively.

- The Organization is party to a noninterest-bearing loan agreement with M&T Bank under the Federal "HOME" Investment Partnership Program in the amount of $169,634. The agreement was due to mature on July 20, 2034. During the year ended June 30, 2023, the Organization received notification from the lender that it had satisfied the terms of the agreement and the full outstanding amount of $169,634 was forgiven, which is recorded as gain on extinguishment of contingent debt on the Organization's consolidated statement of activities.

- The Organization is party to a 5% interest-bearing loan agreement with CEDAC in the amount of $750,000 under the Housing Innovations Fund II Program. In March 2006, the loan was amended to a noninterest-bearing agreement effective January 1, 2006 through the maturity date. This agreement is due to mature on July 20, 2034, at which point the Organization can apply for an extension, as defined. The Organization had recorded accrued interest related to this agreement in the amount of $35,503.

The above notes payable are not required to be repaid as long as the Organization maintains the properties for low-income or moderate-income families for 30 - 50 years. If the Organization does not comply with these terms, any principal and accrued interest will be due on demand. There have been no violations of these terms as of June 30, 2023 and 2022. The note payable agreements are secured by mortgages on the related properties.

Total contingent loans and grants as of June 30, 2023 and 2022 amounted to $3,519,197 and $3,604,350, respectively, and are included in long-term liabilities on the accompanying consolidated statements of financial position.

9. Contingent Loans and Grants (Continued):

Contingent State Grant: In April 2022, the Organization was awarded a state surplus grant, totaling $4,500,000, from the Commonwealth of Massachusetts Executive Office of Housing and Economic Development to be used to further the mission of the Alliance of Massachusetts YWCAs. Per the terms of the grant, $2,250,000 of the total award was received upon the signing of the grant. The remaining $2,250,000 in grant funds are contingent upon certain funder imposed restrictions and must be utilized by June 30, 2027. The Organization was identified as the contracting agent by the Commonwealth and, as such, received the initial $2,250,000 award. Of the $2,250,000 received by the Organization, $2,000,000 was passed directly to the other members of the Alliance of Massachusetts YWCAs. The Organization recorded net proceeds in the amount of $250,000 as other state funding on the accompanying consolidated statement of activities for the year ended June 30, 2022. As of June 30, 2022, the Organization has not recorded a receivable nor recognized any revenue for the remainder of the award based on the contingent nature of the funds.

Early Education and Out of School Time Capital Fund (EESOT Fund) Grant: On September 16, 2022, the Organization was awarded a grant in the amount of $243,000 from the EESOT Fund for capital improvements to the preschool classrooms. The grant is subject to certain grantor imposed restrictions for the five-years following the completion of the capital improvements. The Organization has recorded the proceeds from the award as a contingent grant on the accompanying consolidated statements of financial position based on the contingent nature of the funds.

10. Net Assets with Donor Restrictions:

Net assets with donor restrictions as of June 30, 2023 and 2022 consist of the following:

	2023	2022
Subject to Expenditure for Specified Purpose:		
Health Promotions:		
Capital Improvements to Early Childhood Classroom	$ 50,000	$ 50,000
Gender Specific Program	25,000	-
Capital Improvements to Haverhill Building	-	13,437
Total Purpose Restrictions	75,000	63,437
Beneficial Interest in Trust	58,536	55,081
Total Net Assets with Donor Restrictions	$ 133,536	$ 118,518

11. Net Assets Released from Restriction:

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes specified by donors or by the passage of time. Net assets released from restriction during the years ended June 30, 2023 and 2022 consist of the following:

	2023	2022
Subject to Expenditure for Specified Purpose:		
Capital Improvements to Early Childhood Classroom	$ 50,000	$ -
Capital Improvements to Haverhill Building	35,937	21,100
Shelter Programs	35,000	35,000
Subject to Passage of Time	-	130,576
	$ 120,937	$ 186,676

12. Insurance Settlement:

During the year ended June 30, 2022, as a result of water damage, the Organization incurred property damages in the amount of $118,867. The Organization settled with its insurer for a claim in the amount of $119,577, resulting in a gain on insurance settlement in the amount of $711 recorded in nonoperating activities on the Organization's statement of activities for the year ended June 30, 2022. As of June 30, 2022, the Organization had collected the full claim amount and all repairs had been completed.

13. State Unemployment:

The Organization is self-insured for state unemployment benefits. As of June 30, 2023 and 2022, the Organization had accrued approximately $129,500 and $105,000, respectively, to cover possible unemployment costs. During the years ended June 30, 2023 and 2022, the Organization made payments for unemployment benefits totaling $6,487 and $10,789, respectively.

14. Retirement Plan:

The Organization sponsors a defined contribution plan covering substantially all of its employees who meet certain eligibility requirements. The Organization, at the discretion of the Board of Directors, may make contributions to the plan. During the years ended June 30, 2023 and 2022, the Organization made contributions to the plan in the amounts of $335,171 and $327,889, respectively.

15. Economic Dependency:

During the years ended June 30, 2023 and 2022, the Organization generated a substantial portion of its revenue from various agencies of the Commonwealth of Massachusetts and other state funding. Contributions from these agencies approximated 82% and 88% of the Organization's total revenue during the years ended June 30, 2023 and 2022, each respectively. As of June 30, 2023 and 2022, accounts receivable from three and two customers represented approximately 83% and 86%, each respectively, of the Organization's total accounts receivable.

16. Commitments and Contingencies:

Paycheck Protection Program: During April 2020, in connection with the Coronavirus Aid, Relief and Economic Security (CARES) Act, the Organization obtained a loan in the amount of $965,300 in connection with the Paycheck Protection Program (PPP) loan program administered by the Small Business Association (SBA). During July 2021, the Organization obtained notification from the SBA of forgiveness of the entire PPP loan balance in the amount of $965,300 which was recorded to nonoperating activities as a gain on extinguishment of long-term debt - paycheck protection program in the accompanying consolidated statement of activities. The SBA reserves the right to audit any PPP loan, regardless of size. These audits may occur after forgiveness has been granted. In accordance with the CARES Act, all borrowers are required to maintain their PPP loan documentation for six years after the PPP loan was forgiven and to provide that documentation to the SBA upon request.

Indemnifications: In the ordinary course of business, the Organization enters into various agreements containing standard indemnification provisions. The Organization's indemnification obligations under such provisions are typically in effect from the date of execution of the applicable agreement through the end of the applicable statute of limitations. The aggregate maximum potential future liability of the Organization under such indemnification provisions is uncertain. As of June 30, 2023 and 2022, no amounts have been accrued related to such indemnification provisions.

June 30 **2023**

	YWCA Northeastern Massachusetts, Inc.	YWCA Fina House, LLC	Eliminations	Consolidated Total
Assets				
Current Assets:				
Cash and Cash Equivalents	$ 2,787,919	$ 245,576	$ -	$ 3,033,495
Certificates of Deposit	1,066,009	-	-	1,066,009
Accounts Receivable	968,570	22,976	(132,986)	858,560
Prepaid Expenses and Other Current Assets	101,730	11,431	-	113,161
Total Current Assets	4,924,228	279,983	(132,986)	5,071,225
Note Receivable	542,798	-	(542,798)	-
Investments	13,149	-	-	13,149
Beneficial Interest in Trust	58,536	-	-	58,536
Property and Equipment, Net of Accumulated Depreciation	4,582,728	2,967,360	-	7,550,088
Operating Lease Right-of-Use Assets	187,853	-	-	187,853
Total Assets	$ 10,309,292	$ 3,247,343	$ (675,784)	$ 12,880,851
Liabilities and Net Assets				
Current Liabilities:				
Current Maturities of Long-Term Debt, Net of Debt Issuance Costs	$ -	$ 32,132	$ -	$ 32,132
Accounts Payable and Accrued Expenses	786,276	112,894	(132,986)	766,184
Deferred Revenue	41,486	-	-	41,486
Current Portion of Operating Lease Liabilities	146,301	-	-	146,301
Total Current Liabilities	974,063	145,026	(132,986)	986,103
Long-Term Debt, Net of Current Maturities and Debt Issuance Costs	-	449,212	-	449,212
Contingent Loans and Grants	1,084,197	3,220,798	(542,798)	3,762,197
Operating Lease Liabilities, Net of Current Portion	41,852	-	-	41,852
Total Liabilities	2,100,112	3,815,036	(675,784)	5,239,364
Net Assets:				
Net Assets without Donor Restrictions	8,075,644	(567,693)	-	7,507,951
Net Assets with Donor Restrictions	133,536	-	-	133,536
Total Net Assets	8,209,180	(567,693)	-	7,641,487
Total Liabilities and Net Assets	$ 10,309,292	$ 3,247,343	$ (675,784)	$ 12,880,851

June 30 2022

	YWCA Northeastern Massachusetts, Inc.	YWCA Fina House, LLC	Eliminations	Consolidated Total
Assets				
Current Assets:				
Cash and Cash Equivalents	$ 2,913,869	$ 335,312	$ (13,842)	$ 3,235,339
Certificates of Deposit	454,516	2,475	-	456,991
Accounts Receivable	794,150	9,906	(99,678)	704,378
Prepaid Expenses and Other Current Assets	54,374	5,078	-	59,452
Total Current Assets	4,216,909	352,771	(113,520)	4,456,160
Note Receivable	529,332	-	(529,332)	-
Investments	12,984	-	-	12,984
Beneficial Interest in Trust	55,081	-	-	55,081
Property and Equipment, Net of Accumulated Depreciation	4,092,044	3,092,817	-	7,184,861
Total Assets	$ 8,906,350	$ 3,445,588	$ (642,852)	$ 11,709,086
Liabilities and Net Assets				
Current Liabilities:				
Current Maturities of Long-Term Debt, Net of Debt Issuance Costs	$ 35,609	$ 30,844	$ -	$ 66,453
Accounts Payable and Accrued Expenses	1,105,973	93,491	(113,520)	1,085,944
Deferred Revenue	22,842	-	-	22,842
Total Current Liabilities	1,164,424	124,335	(113,520)	1,175,239
Long-Term Debt, Net of Current Maturities and Debt Issuance Costs	-	481,344	-	481,344
Contingent Loans and Grants	830,767	3,302,915	(529,332)	3,604,350
Total Liabilities	1,995,191	3,908,594	(642,852)	5,260,933
Net Assets:				
Net Assets without Donor Restrictions	6,792,641	(463,006)	-	6,329,635
Net Assets with Donor Restrictions	118,518	-	-	118,518
Total Net Assets	6,911,159	(463,006)	-	6,448,153
Total Liabilities and Net Assets	$ 8,906,350	$ 3,445,588	$ (642,852)	$ 11,709,086

For the Year Ended June 30 **2023**

	YWCA Northeastern Massachusetts, Inc.	YWCA Fina House, LLC	Eliminations	Consolidated Totals
Operating Activities:				
Revenue and Other Support:				
Childcare Program Service Fees	$ 5,076,975	$ -	$ -	$ 5,076,975
Victim Service Program Service Fees	4,004,248	236,299	(476,169)	3,764,378
Grants	920,399	-	-	920,399
Contributions	432,779	-	-	432,779
Other Revenues	81,076	66,609	-	147,685
United Way Contributions	52,120	-	-	52,120
Other State Funding	7,403	-	-	7,403
Total Revenue and Other Support	10,575,000	302,908	(476,169)	10,401,739
Operating Expenses:				
Program Services				
Childcare Center	4,630,731	-	-	4,630,731
Residency	1,298,968	-	(205,099)	1,093,869
Domestic Violence Services	1,218,312	-	(15,600)	1,202,712
Sexual Assault Services	932,436	-	(15,600)	916,836
Health Promotions	293,890	-	-	293,890
Fina House, LLC	-	468,960	(239,870)	229,090
Total Program Services	8,374,337	468,960	(476,169)	8,367,128
General and Administrative	923,051	-	-	923,051
Total Operating Expenses	9,297,388	468,960	(476,169)	9,290,179
Increase (Decrease) in Net Assets from Operations	1,277,612	(166,052)	-	1,111,560
Nonoperatng Activities:				
Gain on Extinguishment of Contingent Loan	-	169,634	-	169,634
Interest Expense	(759)	(108,350)	3,036	(106,073)
Investment Income	17,711	83	(3,036)	14,758
Net Change in Fair Value of Investments Held in Trust	3,455		-	3,455
Total Nonoperating Activities	20,407	61,367	-	81,774
Increase (Decrease) in Net Assets	1,298,019	(104,685)	-	1,193,334
Net Assets, Beginning of Year	6,911,161	(463,008)	-	6,448,153
Net Assets, End of Year	$ 8,209,180	$ (567,693)	$ -	$ 7,641,487

For the Year Ended June 30 2022

	YWCA Northeastern Massachusetts, Inc.	YWCA Fina House, LLC	Eliminations	Consolidated Totals
Operating Activities:				
Revenue and Other Support:				
Childcare Program Service Fees	$ 4,404,410		$ -	$ 4,404,410
Victim Service Program Service Fees	3,933,826	227,788	(432,290)	3,729,324
Grants	615,048	-	-	615,048
Contributions	443,708	-	-	443,708
Other Revenues	9,929	74,784	-	84,713
United Way Contributions	110,306	-	-	110,306
Other State Funding	250,000	-	-	250,000
Total Revenue and Other Support	9,767,227	302,572	(432,290)	9,637,509
Operating Expenses:				
Program Services				
Childcare Center	4,331,917	-	(53,400)	4,278,517
Residency	1,358,257	-	(208,770)	1,149,487
Domestic Violence Services	979,325	-	(9,033)	970,292
Sexual Assault Services	709,954	-	(7,800)	702,154
Health Promotions	254,944	-	-	254,944
Fina House, LLC	-	353,361	(153,287)	200,074
Total Program Services	7,634,397	353,361	(432,290)	7,555,468
General and Administrative	829,939	-	-	829,939
Total Operating Expenses	8,464,336	353,361	(432,290)	8,385,407
Increase (Decrease) in Net Assets from Operations	1,302,891	(50,789)	-	1,252,102
Nonoperatng Activities:				
Interest Expense	(14,292)	(106,613)	3,036	(117,869)
Investment Income	7,730	102	(3,036)	4,796
Net Change in Fair Value of Investments Held in Trust	(14,586)	-	-	(14,586)
Gain on Extinguishment of Long-Term Debt - Paycheck Protection Program	965,300	-	-	965,300
Gain on Insurance Settlement	-	711	-	711
Total Nonoperating Activities	944,152	(105,800)	-	838,352
Increase (Decrease) in Net Assets	2,247,043	(156,589)	-	2,090,454
Net Assets, Beginning of Year	4,664,116	(306,417)	-	4,357,699
Net Assets, End of Year	$ 6,911,159	$ (463,006)	$ -	$ 6,448,153

For the Year Ended June 30 **2023**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Assistance Listing Number (ALN)	Pass-Through Entity Identifying Number	Amounts Provided to Subrecipients	Total Federal Expenditures
U.S. Department of Agriculture:				
Passed-Through:				
Commonwealth of Massachusetts - Department of Elementary and Secondary Education (DESE):		SCDOE22758A70532112B		
Child Nutrition Cluster:		SCDOE22758D70532112B		
National School Lunch Program	10.555	SCDOE22758L70532112B	$ -	$ 159,858
Total Child Nutrition Cluster			-	159,858
Child and Adult Care Food Program	10.558	SCDOE22758A70571002A SCDOE22758D70532117A SCDOE22758E70532117A	-	5,628
Total Passed-Through DESE			-	165,486
Total U.S. Department of Agriculture			**-**	**165,486**
U.S. Department of Housing and Urban Development:				
Direct Funding:				
Supportive Housing Program	14.235		-	**23,030**
U.S. Department of Justice:				
Passed-Through:				
Commonwealth of Massachusetts - Department of Public Health:				
Sexual Assault Services	16.017	INTF3401M03181228074	-	**113,444**
U.S. Department of Health and Human Services:				
Passed-Through:				
Commonwealth of Massachusetts - Department of Public Health:				
National Center for Injury and Prevention and Control Research	93.136	INTF3401M03181228074	-	104,521
Preventative Health and Human Services Block	93.991	INTF3401M03181228074	-	37,815
Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	93.671	INTF3422M03180828021	-	145,250
Family Violence Prevention and Services/Sexual Assault/Rape Crisis Services and Support	93.497	INTF3401M03181228074	-	101,563
Total Passed-Through - Department of Public Health			-	389,149
Commonwealth of Massachusetts - Department of Early Education and Childcare (DEEC):		2022FLEXPOOLINCOMEEL 2022PRIORPORSUPPMA01		
TANF Cluster:		300010YWCAGRLAWR24IE		
Temporary Assistance for Needy Families	93.558	3100YWCAOFGREATEPPSP	-	1,072,822
Total TANF Cluster			-	1,072,822
CCDF Cluster:		2022FLEXPOOLINCOMEEL 2022PRIORPORSUPPMA01 300010YWCAGRLAWR24IE		
Child Care and Development Block Grant	93.575	3100YWCAOFGREATEPPSP	-	527,402
Child Care Mandatory and Matching Funds of the Child and Development Fund	93.596	2022FLEXPOOLINCOMEEL 2022PRIORPORSUPPMA01 300010YWCAGRLAWR24IE 3100YWCAOFGREATEPPSP	-	296,878
Total CCDF Cluster			-	824,280
Total Passed-Through - DEEC			-	1,897,102
Total U.S. Department of Health and Human Services:			**-**	**2,286,251**
Total Expenditures of Federal Awards			**$ -**	**$ 2,588,211**

The accompanying notes are an integral part of this Schedule.

Notes to the Schedule of Expenditures of Federal Awards for the Year Ended June 30, 2023

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of YWCA Northeastern Massachusetts, Inc. (the Organization) under programs of the federal government for the year ended June 30, 2023. The information in this schedule is presented 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). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule, if any, represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

Note 3 - Indirect Costs

The Organization has elected to use the 10-percent de minimums indirect cost rate allowed under Uniform Guidance.

Independent Auditors' 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*

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

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 accompanying consolidated financial statements of YWCA Northeastern Massachusetts, Inc. and Subsidiary (collectively referred to as the Organization), which comprise the consolidated statement of financial position as of June 30, 2023, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated November 15, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization'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 the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Organization's financial statements will not be prevented, or detected and corrected in a timely basis. A *significant deficiency* is a deficiency, or 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 the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the 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 or significant deficiencies in internal control may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's consolidated 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 consolidated 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*.

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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 Organization'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 Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Baker Tilly US, LLP
Tewksbury, Massachusetts
November 15, 2023

Independent Auditors' Report on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited YWCA Northeastern Massachusetts, Inc. and Subsidiary (collectively referred to as the Organization) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2023. The Organization's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization 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, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Organization's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Organization's federal programs.

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Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. Reasonable assurance is a high level of assurance but it is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, 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 Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the Organization’s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the Organization’s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 s*ignificant 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 Auditors' Responsibilities for the Audit of Compliance section above 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, as defined above. However, material weaknesses or significant deficiencies may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

Baker Tilly US, LLP

Baker Tilly US, LLP
Tewksbury, Massachusetts
November 15, 2023

Year Ended June 30, 2023

I. Summary of Independent Auditors' Report

Schedule of Expenditures of Financial Statements

Type of auditors' report issued:	Unmodified	
Internal control over financial reporting:		
• Material weakness identified?	____ Yes	_X_ No
• Significant deficiencies identified that are not considered to be material weaknesses?	____ Yes	_X_ None Reported
Noncompliance material to the financial statements noted?	____ Yes	_X_ No

Federal Awards

Internal control over major federal programs:		
• Material weakness identified?	____ Yes	_X_ No
• Significant deficiencies identified that are not considered to be material weaknesses?	____ Yes	_X_ None Reported
Types of auditors' report issued on compliance for major programs:	Unmodified	
• Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)?	____ Yes	_X_ No

Identification of major programs

ALN(s)	Name of Federal Program or Cluster
	TANF Cluster
93.558	Temporary Assistance for Needy Families
	CCDF Cluster
93.575	Child Care and Development Block Grant
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund

Dollar threshold used to distinguish between Type A and Type B programs	$750,000	
Auditee qualifies as low-risk auditee?	_X_ Yes	____ No

Year Ended June 30, 2023

II. Financial Statement Findings:

A. Significant Deficiencies or Material Weaknesses in Internal Control over Financial Reporting

None

B. Compliance Findings

None

III. Federal Award Findings and Questioned Costs:

A. Significant Deficiencies or Material Weaknesses in Internal Control Over Compliance

None

B. Compliance Findings

None

Year Ended June 30, 2023

Prior Year Findings:

II. Financial Statement Findings:

A. Significant Deficiencies or Material Weaknesses in Internal Control over Financial Reporting

None

B. Compliance Findings

None

III. Federal Award Findings and Questioned Costs:

A. Significant Deficiencies or Material Weaknesses in Internal Control over Compliance

None

B. Compliance Findings

None