

# Finance Department

## ***A Message from the Director of Finance***

This year has been an exciting year for me as the Director of Finance for NorthStar Learning Centers. As a member of the administrative team, I am even more inspired by the resolve of so many of our staff to demand more from ourselves, our funder's, and our political leaders. Across the country, nonprofit leaders are organizing unapologetically around community needs and aspirations, speaking more frankly with funders especially about the imperative of racial equity, and working together in new ways to address root causes.

In my role as the Director of Finance, I oversee the agency's fiscal operations, ensuring that NorthStar Learning Centers fiscal policies and procedures conform to the regulations of various governing agencies, accreditation and licensure, funder's requirements, and yearly audits.

The business office of NorthStar Learning Centers is comprised of the following key personnel Hilda Ortiz (*Senior Accounts Managers*), Cia Weaver (*Accounts Manager*), Yesenia Nunez (*Supervisor of Enrollment-EEC*). As a cohesive team we work closely together with all the various program directors to help them to prepare, understand, and submit comprehensive program budgets to the various funding agencies ensuring that their program maintains funding to support their program and help meet all grant and contractual obligations.

The operating budget for fiscal year 2024, was \$5,784,119.91 million dollars with diverse funding from several funding sources. The business office collaborated with the Executive Director to develop a comprehensive annual operating budget, identify areas of growth, explored, and implemented ways to reduce operational expenses.

This year I am happy to report that the agency had an exceptional year and finished the year with a profit. This was a result of controlling operational and program expenditures and an increase in program service fees, grants and contributions, and federal subsidies.

This fiscal year 2024, NorthStar Learning Centers secured and closed on a \$15,000,000 million dollars state-of-the-art Early Education Academy. With the closing of the loans and projected end of the year completion of the new facility NorthStar Learning Centers will embark on a new chapter as the agency gets ready to open the state-of-the-art facility in the south end of the City of New Bedford in February 2025.

Through the effort of the "Reaching for the Star" capital campaign spearheaded by Jodi Wilinsky Hill of (JWH Consulting), Maria Rosario Executive Director of (NorthStar Learning Centers) along with the funding provided from the City of New Bedford (ARPA), Massachusetts Housing Investment Corporation (MHIC), The Property & Casualty Initiative (PCI), and Capital One Bank via the New Market Tax Credit structure NorthStar Learning Centers closed on funding for the NorthStar Early Education Academy on October 23, 2023.

To bring the project to flourishing NorthStar Learning Center incurred a sizeable amount of debt. The debt structure for the project consists of \$5,175,000 million dollars in loans provided from Massachusetts Housing Investment Corporation & Property & Casualty Initiative - \$4,675,000, Children's Investment Fund - -\$500,000. As of December 13, 2024, there has been a repayment of \$2,500,000 out of the \$5,175,000 debt from proceeds received from the City of New Bedford ARPA funding. There will be an additional \$1 - \$1.5 million paid in the first quarter of 2025 with a

Federal Earmark from the US Department of Housing and Urban Developments Congressional Grants Division, leaving a remaining loan balance of either \$1,175,000 or \$1,675,000. This debt is due and payable October 24, 2031 (7 years).

There was also an additional amount of special debt financing provided by Capital One for \$10,660,000 as part of the New Market Tax Credit Structure. The special debt financing secured with Capital One allowed NorthStar Learning Center to obtain a special below market interest rate of 1%. This funding is set up as a 7-year lease with the NorthStar Early Education Academy. After the 7 years NorthStar Learning Centers will have the option to acquire the property and own it free and clear.

I am pleased with the end of the year financial results for 2024 and the securing of debt to complete the NorthStar Early Education Academy. The debt incurred is manageable with sound fiscal policy and the ability of the agency to develop a strong marketing and fundraising department to attract the donors needed to raise unrestricted funding to pay down the outstanding loan balance, to maintain the long-term financial health of the agency, and to meet the goals and mission of the agency.

The fundraising goal for the agency should be \$500,000 for fiscal year 2025, \$1,000,000 for fiscal year 2026 and beyond. With a continued focus on reducing operational and program expenditures and providing exceptional program service delivery, and an aggressive marketing and fundraising effort the agency should continue to be in a good financial position going into fiscal year 2025.

Regards,

Tommy L. Pace  
Director of Finance

## Annual Report

NorthStar Learning Centers operates several program initiatives with the support and financial backing from various agencies. The breakdown of the funding sources as a percentage of total revenue generated by the agency is as follows.

- City of New Bedford – ARPA - 23%
- Department of Early Education and Care (EEC) - 20%
- New Bedford Police Department – Shannon - 11%
- New Bedford Police Department – SSYI – 8%
- Department of Children and Families – 9%
- Department of Public Health H.E.A.L – 6%
- Mass. Executive Office of Housing and Economic Development – 3%
- City of New Bedford Department of Health – 2%
- New Bedford Public Schools (CPPI) - 1%
- City of New Bedford Housing Authority – Less than 1%
- Department of Conservation & Recreation – Less than 1%
- Greater New Bedford Workforce Development – Less than 1%
- Island Foundation – Less than 1%

The remaining 18% of revenue that NorthStar Learning Centers receives comes from grants, contributions, and other miscellaneous income.

### **Breakdown of Major Funding Sources for FY24**

The Department of Early Education and Care (EEC) continues to fund our early education and care centers, as well as our SCHOONER school-age program.

The income eligible contracts with EEC allows NorthStar Learning Centers to provide year-round active learning programming that help children gain skills, knowledge, and confidence to succeed in school while their parents engage in activities such as full-time employment, continuing education, or participating in vocational training.

Having met all the grant requirements for renewal, our EEC contract was renewed through June 30, 2025.

New Bedford Police Department Shannon & SSYI funds both programs through a joint venture with the New Bedford Police Department and the City of New Bedford. Both programs provide support services to young adults between the ages of 10-24 with gang interventions to the at-risk population. The SSYI program contract was renewed through June 30, 2025. The Shannon program contract ends December 31, 2024, and should be funded for the upcoming year.

The Department of Public Health (DPH) funds the Youth Violence Prevention and Gun Violence Prevention programs. Contract was renewed through June 30, 2025.

The Department of Children and Families (DCF) continues to fund our Supervised Family Visitation, Family Actualization and Empowerment (FASE) and Kinship programs. The service delivery models within these programs entail comprehensive support and stabilization programming. Contract was renewed through June 30, 2025.

*New Bedford Public Schools* the New Bedford Public Schools provided funding for the Community Partnership Preschool Initiative Grant which was used toward running a CPPI preschool classroom. Contract was renewed through June 30, 2025.

**FINANCIALS**

**2023 Breakdown**

**Income:**  
\$5,802,445

**Expenses:**  
\$5,214,269

**Assets:**  
\$4,489,610

**Liabilities:**  
\$1,963,227

**2024 Breakdown**

**Income:**  
\$8,692,514 (Increased by 50%)

**Expenses:**  
\$6,378,507 (Increased by 22%)

**Assets:**  
\$19,855,428 (Increased by 342%)

**Liabilities:**  
\$15,015,038 (Increased by 664%)

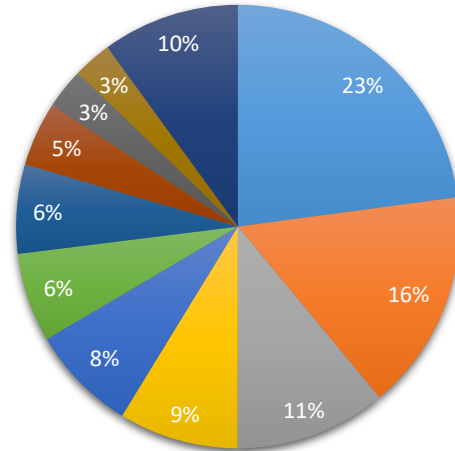
# Income and Expenses

## Financials for July 1, 2023 – June 30, 2024

Audit Prepared by Clifton, Larson, Allen, LLP

### 2024 Income Breakdown

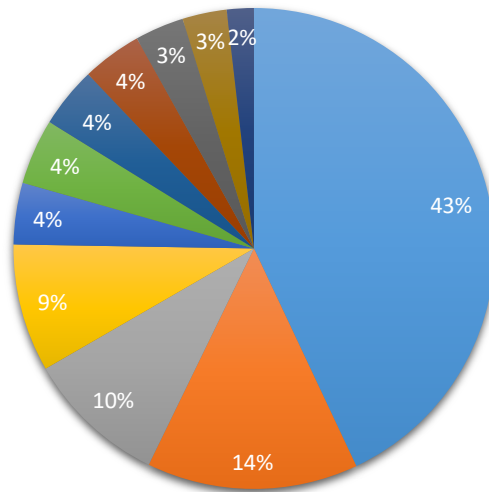
Total: \$8,692,514



- City of New Bedford ARPA (22.68%)
- Dept. Early Education & Care (15.96%)
- NB Shannon Program (10.94%)
- Dept. of Children & Family (9.45%)
- NB SSI Program (7.71%)
- Restricted Revenue Capital Camp. (6.53%)
- DPH Gun Violence Prevention (6.44%)
- Misc. Income (4.65%)
- Pace Voucher (2.93%)
- Project Thrive (2.79%)

### 2024 Expense Breakdown

Total: \$6,384,709



- Payroll Expenses (43.22%)
- Other (14.29%)
- Consultants (9.51%)
- Contributions (8.64%)
- Transportation (4.16%)
- Fringe (4.43%)
- Payroll Taxes (4.10%)
- Program Support (4.04%)
- Rent (3.31%)
- Meals (2.47%)
- Stipends (1.82%)