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CONNECTICUT

Future looks bleak for YWCA

By David McClendon
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NEW HAVEN — The YWCA board of directors remain hopeful they can drum up the money needed to reopen but experts say such charities are usually doomed once they close.

"It's dead. . . . It will never open its doors again because no one will give an organization that closed money," said Barry Nickelsberg, president of Nickelsberg and Co., a worldwide fund-raising consulting firm based in Maine.

The Y closed April 13, forcing 44 women and children who lived there to find other housing. About 75 full- and part-time workers lost their jobs.

"It's history," Nickelsberg, a native of Orange, said. "Nobody gives to history. They give to the future."

"It was in trouble when I took it over and it was in trouble even before that."

Theresa McSpedon
Former executive director of finances for the YWCA

State Sen. Toni Harp, D-New Haven, said Nickelsberg has "a legitimate point of view. But I hope he's wrong because the programs it offered are needed in the area," said Harp, a member of the Y board. "And if they can't find new homes, there will be a gap in services to the community at a time when we can't afford it."

The displaced included some single women and their young children, who were staying at the Y headquarters at 48 Howe St. and attending a variety of social programs.

Board members say the Y's finances began caving in earlier this spring when they learned that the organization hadn't paid payroll taxes — a total of about \$100,000 — to the IRS for the past six months.

But financial documents filed with the state's attorney general's office show that independent auditors have been concerned about the Y's financial health for years.

In several independent audits, an accountant stated that the Y's financial records were accurate, according to the reports filed with the state's Special Litigation and Charities.

But the accountant also used words that were alarms signaling that truly tough times were on the horizon.

"The organization has suffered recurring losses from operations and has a net deficit fund balance that raises substantial doubt about its ability to continue as an ongoing concern," wrote independent auditor Rodney Dennis, a Bridgeport-based certified public ac-

count, after reviewing 1990 records submitted to him by the charity.

Board members knew the organization was experiencing cash flow problems, but nothing prepared them for the magnitude of this year's problems, which includes a budget deficit of about \$500,000 and money owed to various companies that sold services and goods to the organization.

"There had been problems, serious problems and we thought we had resolved them," Harp said. "We had appropriately placed trust in our financial people and we thought things were on the upswing."

The board members, however, had known since January 1994 that there were serious cash flow problems, said Theresa McSpedon, the Y's former executive director of finances, who was fired April 7.

"It was in trouble when I took it over and it was in trouble even before that," McSpedon, a New York native now living in New Milford, said. "The impression given to me was that the problem was very well known in the community and they (the board) were concerned with the image."

Carletta Fountain, a Y employee who found herself without a job when the Y closed, also said board members were aware of the gravity of the financial problem.

"We knew what the needs were, but weren't allowed to sit in on board meetings," said Fountain, an assistant director. "They kept us in the dark on everything."

The tough financial picture, some said, may have led Y officials to undertake a perhaps too-ambitious fund-raising scheme earlier this year to bolster the organization's beleaguered \$2 million budget.

The goal was to raise \$500,000 between March 1, 1994 and June 30 of this year. The amount was substantially more than the local Y had ever tried to raise from one ongoing campaign.

In the end, the amount raised was only enough to pay about \$70,000, the salaries of the hired fund-raisers.

While some recent records from the organization have remained under wraps, officials say they are examining them to see what exactly went wrong.

Some board members also said that the Y's various programs — which range from gym memberships to afterschool programs for children — failed to bring in enough revenue to keep the organization going.

Board President Barbara Bain Gatison and other board members last week contacted various government entities, trying to see whether money was available to get the Y back on its feet.

New Haven officials say the city won't directly fund any programs, but will continue to try to find permanent homes for those agencies that help needy women and their children.

The city did help the Y find apartments and other living arrangements for some of the 14 women and their 30 young children who lived at the Y.

Y leaders also met last Thursday with the two remaining tenants at 48 Howe St. — Connections, a half-way house for women paroled from prison, and Crossroads, a substance abuse rehabilitation program.

Both agreed to split the charity's utilities bills so they can use the building.

Y directors still must deal with vendors who are owed money.

Many of the Y staff members who lost their jobs have applied for unemployment, and some board members are actively shopping their names around to area companies that may be interested in hiring them.