



**Central Lincoln County YMCA
Financial Statements**

Years Ended December 31, 2020 and 2019



Independent Auditor's Report

To the Board of Trustees of
Central Lincoln County YMCA

We have audited the accompanying financial statements of Central Lincoln County YMCA (a nonprofit organization), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Board of Trustees
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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Central Lincoln County YMCA as of 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

One River, CPAs

Augusta, Maine
June 11, 2021

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CENTRAL LINCOLN COUNTY YMCA
Statements of Financial Position
December 31, 2020 and 2019

	2020			2019		
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total
ASSETS						
Current assets:						
Cash and cash equivalents - without restrictions	\$ 96,449	-	96,449	\$ 13,695	-	13,695
Cash and cash equivalents - designated & with restrictions	-	151,277	151,277	805	19,741	20,546
Accounts receivable	48,629	-	48,629	69,020	-	69,020
Due from funds without donor restrictions	-	400,000	400,000	-	400,000	400,000
Promises to give receivable, net	7,112	7,000	14,112	5,903	37,841	43,744
Prepaid expenses	1,566	-	1,566	2,473	-	2,473
Inventory	355	-	355	355	-	355
Total current assets	154,111	558,277	712,388	92,251	457,582	549,833
Property and equipment:						
Land and land improvements	159,333	-	159,333	159,333	-	159,333
Building and improvements	9,179,212	-	9,179,212	9,179,212	-	9,179,212
Equipment	521,930	-	521,930	487,842	-	487,842
	9,860,475	-	9,860,475	9,826,387	-	9,826,387
Less: accumulated depreciation	(1,979,733)	-	(1,979,733)	(1,677,584)	-	(1,677,584)
Net property and equipment	7,880,742	-	7,880,742	8,148,803	-	8,148,803
Other assets:						
Promises to give receivable, net of current portion	7,015	17,663	24,678	13,191	17,486	30,677
Investments	81	1,435,467	1,435,548	1,289	1,344,163	1,345,452
Loan origination costs, net	34,061	-	34,061	35,008	-	35,008
Total other assets	41,157	1,453,130	1,494,287	49,488	1,361,649	1,411,137
Total assets	\$ 8,076,010	2,011,407	10,087,417	\$ 8,290,542	1,819,231	10,109,773
LIABILITIES AND NET ASSETS						
Current liabilities:						
Line of credit	\$ -	-	-	\$ 55,378	-	55,378
Accounts payable	6,158	-	6,158	70,255	-	70,255
Due to funds with donor restrictions	400,000	-	400,000	400,000	-	400,000
Accrued expenses	3,217	-	3,217	9,314	-	9,314
Deferred revenue	21,192	-	21,192	58,693	-	58,693
Current portion of capital leases	17,879	-	17,879	14,208	-	14,208
Current portion of long-term debt	94,332	-	94,332	33,250	-	33,250
Total current liabilities	542,778	-	542,778	641,098	-	641,098
Capital leases, net of current portion	10,347	-	10,347	6,289	-	6,289
Long-term debt, net of current portion	2,583,690	-	2,583,690	2,391,869	-	2,391,869
Total liabilities	3,136,815	-	3,136,815	3,039,256	-	3,039,256
Net assets:						
Without donor restrictions	4,939,195	-	4,939,195	5,251,286	-	5,251,286
With donor restrictions	-	2,011,407	2,011,407	-	1,819,231	1,819,231
Total net assets	4,939,195	2,011,407	6,950,602	5,251,286	1,819,231	7,070,517
Total liabilities and net assets	\$ 8,076,010	2,011,407	10,087,417	\$ 8,290,542	1,819,231	10,109,773

See accompanying notes to financial statements.

CENTRAL LINCOLN COUNTY YMCA
Statements of Activities
Years Ended December 31, 2020 and 2019

	2020			2019		
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total
Operating activities:						
Revenue and support:						
Program, net	\$ 623,448	-	623,448	\$ 943,448	-	943,448
Membership dues, net	683,475	-	683,475	807,003	-	807,003
Facility rentals	31,465	-	31,465	39,001	-	39,001
Sales	496	-	496	9,496	-	9,496
Donations	272,523	30,023	302,546	249,730	13,061	262,791
Special events, net	9,352	-	9,352	14,605	-	14,605
Grants and miscellaneous	277,410	162,153	439,563	181,505	-	181,505
Interest and dividends	37,112	6,265	43,377	26,881	5,128	32,009
Total revenue and support	1,935,281	198,441	2,133,722	2,271,669	18,189	2,289,858
Net assets released from restrictions	6,265	(6,265)	-	60,254	(60,254)	-
Net asset reclassifications	-	-	-	(400,000)	400,000	-
Total revenues, support and reclassifications	1,941,546	192,176	2,133,722	1,931,923	357,935	2,289,858
Expenses:						
Daycare and afterschool	838,524	-	838,524	784,314	-	784,314
Camp	135,743	-	135,743	220,422	-	220,422
Racquet sports	326,589	-	326,589	436,721	-	436,721
Other programs	657,616	-	657,616	660,888	-	660,888
Management and general	312,229	-	312,229	311,867	-	311,867
Fundraising	41,785	-	41,785	83,306	-	83,306
Total expenses	2,312,486	-	2,312,486	2,497,518	-	2,497,518
Change in net assets from operations	(370,940)	192,176	(178,764)	(565,595)	357,935	(207,660)
Non-operating activities:						
Gain on disposal of property and equipment	773	-	773	-	-	-
Realized and unrealized gains on investments	58,076	-	58,076	48,967	-	48,967
Total non-operating activities	58,849	-	58,849	48,967	-	48,967
Change in net assets	(312,091)	192,176	(119,915)	(516,628)	357,935	(158,693)
Net assets, beginning of year	5,251,286	1,819,231	7,070,517	5,767,914	1,461,296	7,229,210
Net assets, end of year	\$ 4,939,195	2,011,407	6,950,602	\$ 5,251,286	1,819,231	7,070,517

See accompanying notes to financial statements.

CENTRAL LINCOLN COUNTY YMCA
Statement of Functional Expenses
Year Ended December 31, 2020

	Program Services					Supporting Services			Total
	Daycare and Afterschool Programs	Camp Programs	Racquet Sport Programs	Other Programs	Total Program Services	Management and General	Fundraising		
Salaries	\$ 423,698	75,034	176,888	328,538	1,004,158	39,225	14,296	1,057,679	
Payroll taxes and benefits	76,536	9,207	31,059	70,788	187,590	11,737	3,604	202,931	
Supplies	18,723	2,377	4,469	20,175	45,744	5,647	705	52,096	
Contractual	109,069	9,159	7,439	26,099	151,766	125,581	153	277,500	
Travel	1,481	664	690	1,065	3,900	121	-	4,021	
Advertising	577	113	122	223	1,035	-	-	1,035	
Occupancy	7,997	4,197	22,264	49,300	83,758	795	-	84,553	
Depreciation	134,909	22,963	45,926	83,242	287,040	-	15,107	302,147	
Insurance	1,252	1,566	8,767	19,412	30,997	1,879	-	32,876	
Telephone	1,369	578	2,932	6,493	11,372	105	-	11,477	
Repairs and maintenance	14,133	6,388	15,110	34,745	70,376	540	-	70,916	
Postage and printing	463	67	205	244	979	120	3,069	4,168	
Dues & licenses	968	230	260	500	1,958	30,828	-	32,786	
Food & beverage	16,446	49	40	517	17,052	16	-	17,068	
Interest	16,610	776	1,552	2,814	21,752	82,468	4,851	109,071	
Bad debts	-	-	-	-	-	12,249	-	12,249	
Miscellaneous	14,293	2,375	8,866	13,461	38,995	918	-	39,913	
Total expenses	\$ 838,524	135,743	326,589	657,616	1,958,472	312,229	41,785	2,312,486	

See accompanying notes to financial statements.

CENTRAL LINCOLN COUNTY YMCA
Statement of Functional Expenses
Year Ended December 31, 2019

	Program Services					Supporting Services		Total
	Daycare and Afterschool Programs	Camp Programs	Racquet Sport Programs	Other Programs	Total Program Services	Management and General	Fundraising	
Salaries	\$ 429,035	65,865	205,974	337,555	1,038,429	50,933	50,307	1,139,669
Payroll taxes and benefits	86,325	9,196	33,311	72,602	201,434	10,388	8,200	220,022
Supplies	15,574	4,827	5,908	22,176	48,485	5,201	950	54,636
Contractual	12,579	95,630	12,996	64,193	185,398	123,503	910	309,811
Travel	3,007	953	1,010	4,496	9,466	277	137	9,880
Advertising	733	124	1,074	355	2,286	3	-	2,289
Occupancy	13,680	6,054	45,229	54,276	119,239	1,131	-	120,370
Depreciation	143,138	25,260	64,552	47,713	280,663	-	14,772	295,435
Insurance	1,687	1,406	11,249	13,499	27,841	1,847	-	29,688
Telephone	1,843	738	4,625	5,544	12,750	595	60	13,405
Repairs and maintenance	13,607	5,298	19,724	25,175	63,804	493	-	64,297
Postage and printing	726	128	501	242	1,597	134	3,049	4,780
Dues & licenses	899	433	1,309	562	3,203	28,319	-	31,522
Food & beverage	22,242	216	723	1,382	24,563	235	107	24,905
Interest	19,371	867	19,779	1,637	41,654	81,846	4,814	128,314
Bad debts	-	-	-	-	-	5,784	-	5,784
Miscellaneous	19,868	3,427	8,757	9,481	41,533	1,178	-	42,711
Total expenses	\$ 784,314	220,422	436,721	660,888	2,102,345	311,867	83,306	2,497,518

See accompanying notes to financial statements.

CENTRAL LINCOLN COUNTY YMCA
Statements of Cash Flows
Years Ended December 31, 2020 and 2019

	2020	2019
Cash flows from operating activities:		
Change in net assets	\$ (119,915)	(158,693)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Net realized and unrealized gains on investments	(58,076)	(48,967)
Depreciation	302,147	295,435
Amortization	947	946
(Increase) decrease in:		
Accounts receivable	20,391	(36,507)
Promises to give receivable	35,631	71,832
Prepaid expenses	907	(143)
Inventory	-	539
Increase (decrease) in:		
Accounts payable	(64,097)	9,105
Accrued expenses	(6,097)	(36,926)
Deferred revenue	(37,501)	11,563
Net cash provided by operating activities	74,336	108,184
Cash flows from investing activities:		
Purchase of property and equipment	(1,398)	(5,307)
(Purchase) sale of investments, net	(32,020)	(1,174,771)
Net cash used in investing activities	(33,418)	(1,180,078)
Cash flows from financing activities:		
Proceeds from (payments on) line of credit, net	(55,378)	984
Payments on obligations under capital leases	(24,958)	(16,090)
Proceeds from (payments on) long-term debt, net	252,903	(110,601)
Net cash provided by (used in) financing activities	172,567	(125,707)
Net decrease in cash, cash equivalents, and restricted cash	213,485	(1,197,601)
Cash, cash equivalents, and restricted cash, beginning of year	34,241	1,231,842
Cash, cash equivalents, and restricted cash, end of year	\$ 247,726	34,241
Cash, cash equivalents, and restricted cash:		
Cash and cash equivalents - without restrictions	\$ 96,449	13,695
Cash and cash equivalents - designated & with restrictions	151,277	20,546
Total Cash, cash equivalents, and restricted cash:	\$ 247,726	34,241
Supplemental disclosure of cash flow information:		
Interest paid	\$ 109,071	128,314
Income taxes paid	-	-
Non-cash investing activities:		
Cost of new equipment	32,687	-
Issuance of lease to purchase equipment	(32,687)	-

See accompanying notes to financial statements.

CENTRAL LINCOLN COUNTY YMCA
Notes to Financial Statements

NOTE 1 - NATURE OF OPERATIONS

Nature of Activities - Central Lincoln County YMCA (the YMCA) is a nonprofit corporation organized under the general laws of the State of Maine and operated exclusively for charitable purposes. It is organized to promote the physical, mental, and spiritual development of people. This is accomplished through fitness programs, sports activities, Y Camp, childcare, and various other programs. Support for these activities come from program fees and donations.

Program Services - The YMCA is a membership association of men, women and children of all ages, abilities, incomes, races and religions. The YMCA offers several programs to serve all ages such as: gymnastics, group exercise, swim lessons, youth sports, tennis, pickup basketball, pickleball, personal training, dog obedience, and martial arts.

Daycare and Afterschool Services - The YMCA believes the values and skills learned early on are vital building blocks for quality of life and future success. That is why its child care program is staffed with people who understand the cognitive, physical, social, and emotional development of kids, the need children have to feel connected and supported in trying new things, and the caring and reinforcement parents and families need to help each other.

When school lets out, the Y is in! Y kids eat a healthy snack, release their energy playing, enjoy the company of friends, get their homework done and learn something new. Seasoned staff engage children in fun group games where honesty and fair play are reinforced, and kids are introduced to new projects that let them explore their creativity.

Camp - Summer Camps at the YMCA provide children ages 3 to 14 with safe and exciting opportunities to explore, learn, create, and discover the world around them. Under the guidance of caring, enthusiastic, and trained staff members, children will create lasting friendships and lifelong memories. From sports and swimming to arts and adventure, the YMCA camps span a broad range of interests, while focusing on developing young minds and bodies. The Summer Camps inspire campers to embrace the Y's core values of caring, honesty, respect and responsibility and challenge them to grow physically, mentally, and spiritually. The staff are positive role models and will encourage campers of all ages to become better leaders, friends and, of course, to have fun!

Racquet Sports - The Tennis Programs offers private lessons and clinics on three beautifully maintained indoor tennis courts.

Other Programs - Other programs at the YMCA include Wellness, Sports, Gymnastics, and Dog Obedience.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting - The financial statements have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Central Lincoln County YMCA
Notes to Financial Statements, Continued

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Basis of Presentation - The YMCA records resources for accounting and reporting purposes into two net asset categories: net assets without donor restrictions, and net assets with donor restrictions, based on the existence or absence of donor-imposed restrictions.

Net assets without donor restrictions - Net assets that are not subject to donor-imposed stipulations. Such net assets are available for any purpose consistent with the YMCA's mission.

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 YMCA and/or passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. For the years ended December 31, 2020 and 2019, the YMCA's net assets with temporary donor restrictions totaled \$1,851,937 and \$1,659,761, respectively. For the years ended December 31, 2020 and 2019, the YMCA's net assets held in perpetuity totaled \$159,470.

Measure of Operations - The 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 YMCA's ongoing program services and interest and dividends earned on investments. Nonoperating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

Accounting Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent matters at the date of the financial statements and the reported amounts of revenue and expenses during the reporting periods. Actual results could differ from those estimates.

Revenue Recognition - The YMCA recognizes contributions, net of allowances for estimated uncollectable amounts, when cash, securities, or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met. The YMCA discounts multi-year promises to give (pledges) that are expected to be collected after one year using a risk adjusted discount rate. Multi-year pledges are recorded at fair value at the date of the pledge.

A portion of the YMCA's revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the YMCA has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as deferred revenue in the statements of financial position.

Central Lincoln County YMCA
Notes to Financial Statements, Continued

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Revenue Recognition, Continued - The Corporation has adopted Accounting Standards Update (ASU) No. 2018-08 *Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 605)* as management believes the standards improves the usefulness and understandability of the Corporation's financial reporting. The YMCA implemented ASU on January 1, 2019 using a full retrospective method of application. There were no changes to the recognition or presentation of revenue as a result of the application of ASU 2018-08. As a result, no cumulative effect adjustment was recorded upon adoption.

The YMCA has multiple revenue streams that are accounted for as reciprocal exchange transactions including membership and program fees and government contract revenues.

Because the YMCA's performance obligations relate to contracts with a duration of less than one year, the YMCA has elected to apply the optional exemption provided in FASB ASC 606-10-50-14(a), *Revenue from Contracts with Customers*, and, therefore, is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period. There are no incremental costs of obtaining a contract and no significant financing components.

Membership dues and program fees consist of amounts that families and individuals pay to participate in health, fitness, education and recreation activities and programs and are recognized as revenue ratably over the period of membership or the duration of the program. All the YMCA's revenue from contracts with customers are from performance obligations satisfied over time. Prices are specific to a distinct performance obligation and do not consist of multiple transactions. Those that are designated for or related to future years' activities are deferred and recognized as revenue in the period in which they apply.

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers Topic (606)*. This ASU supersedes the revenue recognition requirements in *Topic 605, Revenue Recognition*, and most industry-specific guidance. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The YMCA adopted this ASU on January 1, 2019.

The YMCA implemented ASU 2014-09 using a full retrospective method of application. The adoption of ASU 2014-09 resulted in no changes to the disclosure of revenue. There were no changes to the recognition or presentation of revenue as a result of the application of ASU 2014-09. As a result, no cumulative effect adjustment was recorded upon adoption.

Donated Services - Donated services, if any, are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the YMCA.

Central Lincoln County YMCA
Notes to Financial Statements, Continued

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Functional Allocation of Expenses - The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The YMCA allocates salaries and benefits based on time and effort, occupancy (including maintenance, depreciation, and interest) based on square footage, and member service expenses based on time and effort by membership staff spent on each program.

Advertising - The YMCA expenses advertising costs as incurred. Advertising costs for the years ended December 31, 2020 and 2019 were \$1,035 and \$2,290, respectively.

Income Taxes - The YMCA has received a favorable determination letter from the Internal Revenue Service stating that it is exempt from federal income taxes under Section 501(a) of the Internal Revenue Code of 1986 (IRC), as an organization described in Section 501(c)(3), except for income taxes pertaining to unrelated business income.

The Financial Accounting Standards Board (FASB) guidance requires tax effects from uncertain tax positions to be recognized in the financial statements only if the position is more likely than not to be sustained if the position were to be challenged by a taxing authority. Management has determined that there are no material uncertain positions that require recognition in the financial statements. Additionally, no provision for income taxes is reflected in these financial statements. Interest and penalties would be recognized as tax expense; however, there is no interest or penalties recognized in the statements of activities. The tax years after 2016 are still open to audit for federal purposes.

Cash and Cash Equivalents - For purposes of the statements of cash flows, the YMCA considers all short-term debt securities purchased with a maturity of three months or less to be cash equivalents, excluding those amounts that are part of its investment accounts.

Concentrations of Credit Risk - The YMCA maintains cash balances at several financial institutions located in Maine. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. As of December 31, 2020 and 2019 the YMCA had no uninsured cash.

Accounts Receivable - Accounts receivable consists primarily of receivables from program registrants. Member receivables are written off when management has exhausted collections efforts and deems the accounts uncollectible. The YMCA does not accrue interest on unpaid accounts receivable.

Investments - Investments are reported at fair value and are based primarily on quoted market prices or estimated fair value.

Inventory - Inventory is stated at cost (first-in, first-out), and consists of merchandise available for resale. Inventory is determined by a physical count at year-end.

Central Lincoln County YMCA
Notes to Financial Statements, Continued

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Property and Equipment - Property and equipment acquisitions, including those obtained under capital leases, with individual costs in excess of \$1,000 are capitalized. The YMCA uses the straight-line method to compute depreciation expense and assumes useful lives of five to ten years for equipment and five to thirty years for building and improvements. Depreciation expense for the years ended December 31, 2020 and 2019 was \$302,148 and \$295,435, respectively.

Impairment of Long-lived Assets - The carrying value of the YMCA's long-lived assets is reviewed to determine if facts or circumstances suggest that the assets may be impaired or that the remaining useful, depreciable life may need to be changed. The YMCA considers internal and external factors related to each asset, including future asset utilization and business climate. If these factors and the projected undiscounted cash flows of the asset over the remaining life indicate that the asset will not be recoverable, the carrying value will be adjusted down to the estimated fair value, if less than book value.

Deferred Revenue - Membership dues and program fees that are designated for or related to future years' activities are deferred and recognized as revenue in the period in which they apply.

Recent Accounting Pronouncements - In February 2016, the Financial Accounting Standards Board (FASB) issued (ASU) 2016-02, Leases. This ASU affects any entity that enters into a lease, with some specified scope exemptions. The main difference between previous GAAP and this ASU is the recognition of lease assets and lease liabilities by lessees for those leases classified as operating leases under previous GAAP. The amendments in this ASU are effective for fiscal years beginning after December 15, 2021. The YMCA has not yet implemented this ASU and is in the process of assessing the effect on the organization's financial statements.

Subsequent Events - Subsequent events were evaluated through June 11, 2021, which is the date the financial statements were available to be issued. In early 2021, the U.S. Small Business Administration (SBA) Paycheck Protection Program (PPP) loan of \$286,400 received in 2020, as described in Note 7, was forgiven and will be considered income in 2021. The YMCA also received a second draw SBA PPP loan for \$286,400 in February 2021, which it is using for purposes consistent with the PPP. The loan matures in February 2026, and the YMCA intends to again apply for forgiveness after expending the loan on allowable costs during the 24-week period beginning in February 2021. The SBA has six years from the forgiveness date to review and reassess their forgiveness decision.

Central Lincoln County YMCA
Notes to Financial Statements, Continued

NOTE 3 - INVESTMENTS AND FAIR VALUE MEASUREMENTS

The FASB defines fair value as the price that would be received for an asset or paid to transfer a liability (an exit price) in the YMCA's principal or most advantageous market in an orderly transaction between market participants on the measurement date.

The standard establishes a fair value hierarchy which requires the YMCA to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

- Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the YMCA has the ability to access as of the measurement date.
- Level 2: Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
- Level 3: Significant unobservable inputs that reflect the YMCA's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

In many cases, a valuation technique used to measure fair value includes inputs from multiple levels of the fair value hierarchy. The lowest level of significant input determines the placement of the entire fair value measurement in the hierarchy.

The following are descriptions of the valuation methods and assumptions used by the YMCA to estimate the fair values of certain financial instruments.

Cash and cash equivalents: valued at acquisition cost (Level 1 inputs).

Equity Securities and Mutual Funds: consist of mutual funds which are primarily invested in equity securities. The fair value of mutual funds, which are readily marketable, is determined by obtaining quoted prices on nationally recognized securities exchanges (Level 1 inputs).

Fixed Income Securities: YMCA fixed income securities are invested primarily in high grade fixed income securities, which are one to three years in duration. The fair values of these investments are readily marketable and are determined by obtaining quoted prices on a nationally recognized securities exchange (Level 1 inputs).

Investments measured at fair value at December 31, 2020 and 2019 are summarized below:

Central Lincoln County YMCA
Notes to Financial Statements, Continued

NOTE 3 - INVESTMENTS AND FAIR VALUE MEASUREMENTS, CONTINUED

Level 1 investments without donor restrictions at 2020 are composed of the following:

	<u>Cost</u>	<u>Fair Value</u>	<u>Appreciation (Depreciation)</u>
NONCURRENT ASSETS:			
Cash and cash equivalents	\$ 81	81	-
Equity	-	-	-
Fixed income	-	-	-
<u>Totals</u>	<u>\$ 81</u>	<u>81</u>	<u>-</u>

Level 1 investments with temporary donor restrictions at 2020 are composed of the following:

	<u>Cost</u>	<u>Fair Value</u>	<u>Appreciation (Depreciation)</u>
NONCURRENT ASSETS:			
Cash and cash equivalents	\$ 48,207	48,207	-
Equity	-	-	-
Fixed income	1,133,000	1,200,584	67,584
<u>Totals</u>	<u>\$ 1,181,207</u>	<u>1,248,791</u>	<u>67,584</u>

Level 1 investments with donor restrictions in perpetuity at 2020 are composed of the following:

	<u>Cost</u>	<u>Fair Value</u>	<u>Appreciation (Depreciation)</u>
NONCURRENT ASSETS:			
Cash and cash equivalents	\$ 4,449	4,449	-
Equity	103,514	125,604	22,090
Fixed income	55,103	56,623	1,520
<u>Totals</u>	<u>\$ 163,066</u>	<u>186,676</u>	<u>23,610</u>

Central Lincoln County YMCA
Notes to Financial Statements, Continued

NOTE 3 - INVESTMENTS AND FAIR VALUE MEASUREMENTS, CONTINUED

Level 1 investments without donor restrictions at 2019 are composed of the following:

	<u>Cost</u>	<u>Fair Value</u>	<u>Appreciation (Depreciation)</u>
Cash and cash equivalents	\$ 1,289	1,289	-
Equity	-	-	-
Fixed income	-	-	-
Totals	\$ 1,289	1,289	-

Level 1 investments with temporary donor restrictions at 2019 are composed of the following:

	<u>Cost</u>	<u>Fair Value</u>	<u>Appreciation (Depreciation)</u>
NONCURRENT ASSETS:			
Cash and cash equivalents	\$ 19,255	19,255	-
Equity	-	-	-
Fixed income	1,133,000	1,165,438	32,438
Totals	\$ 1,152,255	1,184,693	32,438

Level 1 investments with donor restrictions in perpetuity at 2019 are composed of the following:

	<u>Cost</u>	<u>Fair Value</u>	<u>Appreciation (Depreciation)</u>
NONCURRENT ASSETS:			
Cash and cash equivalents	\$ 3,324	3,324	-
Equity	92,559	95,573	3,014
Fixed income	60,501	60,573	72
Totals	\$ 156,384	159,470	3,086

Investment advisor fees totaled \$4,589 and \$4,664, for the years ended 2020 and 2019, respectively.

Central Lincoln County YMCA
Notes to Financial Statements, Continued

NOTE 4 – AVAILABILITY AND LIQUIDITY

The following represents the YMCA's financial assets at 2020 and 2019:

Financial assets at year-end:	<u>2020</u>	<u>2019</u>
Cash	\$ 247,726	\$ 34,241
Accounts receivable	48,629	69,020
Current portion of promises to give	14,112	43,744
<u>Investments</u>	<u>1,435,548</u>	<u>1,345,452</u>
Total financial assets	1,746,015	1,492,457
Less amounts not available to be used within one year:		
Net assets with donor restrictions	2,011,407	1,819,231
Less net assets with temporary restrictions to be met in less than a year	-	-
	<u>2,011,407</u>	<u>1,819,231</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ (265,392)</u>	<u>\$ (326,774)</u>

Central Lincoln County YMCA has a \$200,000 line of credit available to meet cash flow needs.

NOTE 5 - PROMISES TO GIVE RECEIVABLE

The YMCA held a fund-raising campaign to raise funds to pay for capital projects. Capital campaign promises to give are considered temporarily restricted for that purpose. Expenses are released from restriction as expenses are incurred that relate to the construction of capital projects.

In addition, the YMCA holds an annual fund-raising campaign to support operations. These promises to give are all current and are unrestricted.

Promises to give receivable, net of unamortized discount, are summarized as follows at December 31:

	<u>2020</u>	<u>2019</u>
Unconditional promises expected to be collected in:		
Less than one year	\$ 19,680	47,238
One year to five years	20,034	32,074
Thereafter	-	-
	<u>39,714</u>	<u>79,312</u>

Central Lincoln County YMCA
Notes to Financial Statements, Continued

NOTE 5 - PROMISES TO GIVE RECEIVABLE, CONTINUED

Less:		
Allowance for uncollectible promises to give	-	-
Discount to present value	(924)	(4,891)
Totals	38,790	74,421
Less current portion	(14,112)	(43,744)
<u>Total, less current portion</u>	<u>\$ 26,678</u>	<u>30,677</u>

Promises to give receivable in more than one year are discounted at 1.75% and 2.00% at 2020 and 2019, respectively.

Included in pledges receivable are amounts promised by certain members of the Board of Trustees. At 2020 and 2019, those amounts totaled approximately \$2,000 and \$1,500, respectively.

NOTE 6 - PROPERTY AND EQUIPMENT

Property and equipment consists of the following at December 31:

	<u>2020</u>	<u>2019</u>
Land and improvements	\$ 159,333	159,333
Buildings and building improvements	9,179,212	9,179,212
Equipment	521,930	487,842
Total investment in property and equipment	9,860,475	9,826,387
Less: accumulated depreciation	(1,979,733)	(1,677,584)
<u>Net investment in property and equipment</u>	<u>\$ 7,880,742</u>	<u>8,148,803</u>

NOTE 7 - NOTES PAYABLE

The YMCA's long-term debt consists of the following on December 31:

	<u>2020</u>	<u>2019</u>
3.25% note payable to Damariscotta Bank & Trust, due in monthly installments of \$1,066 including interest, through January 24, 2026; secured by real estate. Original amount of \$275,000 was borrowed on January 24, 2001.	\$ 60,265	70,840
5.00% commercial note payable to Coastal Enterprises, Inc., due in monthly installments of interest only through July 2018, then monthly principal and interest payments based on total principal drawn down, through December 7, 2056; secured by real estate.	2,331,357	2,354,279

Central Lincoln County YMCA
Notes to Financial Statements, Continued

NOTE 7 - NOTES PAYABLE, CONTINUED

Paycheck Protection Program for \$286,400 to First National Bank, forgivable if spent in accordance with terms. The remainder is subject to 1.0% interest through July 2023, unsecured.

	286,400	-
	2,678,022	2,425,119

<u>Less: current portion</u>	<u>94,332</u>	<u>33,250</u>
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<u>Long-term debt</u>	<u>\$ 2,583,690</u>	<u>2,391,869</u>
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Maturities of long-term debt are as follows:

<u>Year Ended</u> <u>December 31</u>	<u>Amount</u>
2021	\$ 94,332
2022	179,838
2023	122,583
2024	39,899
2025	42,086
<u>Thereafter</u>	<u>2,199,284</u>
<u>Total</u>	<u>\$ 2,678,022</u>

NOTE 8 - LINE OF CREDIT

At December 31, 2020, the YMCA had a line of credit with a local bank which provided borrowings up to \$200,000. In 2021, the line was increased to \$300,000. Advances are payable on demand including variable interest at the Wall Street Journal Prime Rate, currently 3.25%, and are unsecured. At December 31, 2020 and 2019, there was an outstanding balance of \$0 and \$55,378, respectively, on this line.

Central Lincoln County YMCA
Notes to Financial Statements, Continued

NOTE 9 - BOARD DESIGNATED NET ASSETS

The YMCA's Board designated net assets consist of cash and totaled \$0 and \$805 at December 31, 2020 and 2019, respectively.

Changes in Board designated net assets for the year ended December 31 are as follows:

		<u>2020</u>	<u>2019</u>
Board-designated net assets, beginning of year	\$	805	7,804
Changes in Board-designated net assets:			
Net Appreciation		-	-
Dividends & Interest		-	-
Contributions		-	-
Amounts Appropriated for expenditure		(805)	(6,999)
Other Changes		-	-
<u>Total changes in Board-designated net assets</u>		<u>(805)</u>	<u>(6,999)</u>
<u>Board-designated net assets, end of year</u>	\$	-	805

NOTE 10 – NET ASSETS WITH TEMPORARY DONOR RESTRICTIONS

The YMCA's net assets with temporary restrictions consist of gifts and other unexpended revenues and gains restricted for the Capital Improvement Fund. The balance totaled \$1,851,937 and \$1,659,761 at 2020 and 2019, respectively. The sources of net assets released from temporary donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of events specified by the donors for year ended December 31, 2020 and 2019 was \$6,265 and \$60,254, respectively.

Included in the above amount on December 31, 2019 is \$400,000 that was a donor contribution used in the prior year for other than the original intended purpose, at the permission of the donor. The YMCA has included that amount in the temporarily restricted net asset balance on December 31, 2020 and 2019 by recording that amount as due from unrestricted net assets in order to replace those funds for their original intended purpose, as requested by the donor.

**Central Lincoln County YMCA
Notes to Financial Statements, Continued**

NOTE 11 - ENDOWMENT COMPOSITION

Interpretation of Relevant Law - The State of Maine has passed a version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA). The Board of Trustees of the YMCA has interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, YMCA classifies as net assets with permanent restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The remaining portion of the donor-restricted endowment fund that is not classified in net assets with permanent restrictions is classified as net assets with temporary restrictions until those amounts are appropriated for expenditure by the YMCA in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the YMCA considers the following factors in deciding to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purposes of the organization and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the organization
7. The investment policies of the organization

As of December 31, 2020:

		<u>Without Restrictions</u>	<u>With Temp. Restrictions</u>	<u>With Perm. Restrictions</u>	<u>Total</u>
Donor Designated Endowment Funds	\$	-	-	159,470	159,470
Other Endowment Funds					
Undesignated		-	-	-	-
Donor Advised		-	-	-	-
Designated		-	-	-	-
<u>Subtotal Other Endowment Funds</u>		-	-	-	-
<u>Total Endowment Funds</u>	\$	-	-	159,470	159,470

Central Lincoln County YMCA
Notes to Financial Statements, Continued

NOTE 11 - ENDOWMENT COMPOSITION, CONTINUED

As of December 31, 2019:

	<u>Without</u>	<u>With Temp.</u>	<u>With Perm.</u>	<u>Total</u>
	<u>Restrictions</u>	<u>Restrictions</u>	<u>Restrictions</u>	<u>Total</u>
Donor Designated Endowment Funds	\$ -	-	159,470	159,470
Other Endowment Funds				
Undesignated	-	-	-	-
Donor Advised	-	-	-	-
Designated	-	-	-	-
<u>Subtotal Other Endowment Funds</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Total Endowment Funds</u>	<u>\$ -</u>	<u>-</u>	<u>159,470</u>	<u>159,470</u>

Return Objectives and Risk Parameters - The YMCA has adopted investment and spending policies for assets that attempt to provide a predictable stream of funding for scholarships for Summer Camp and other programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the YMCA must hold in perpetuity or for a donor-specified period.

Investment Objective - Strategies Employed for Achieving Objectives: The YMCA targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk parameters. The intended overall rate of return of the portfolio is a reasonable "real" rate, consistent with the risk levels established by the Investment Committee. The objective is that the minimum acceptable rate of return over a full market cycle of 3 to 5 years is one that equals or exceeds the assumed spending rate plus the rate of inflation.

Spending Policy and How the Investment Objectives Relate to Spending Policy - The YMCA's current investment spending policy for appropriating distributions is calculated based on a percentage of its endowment income on December 31. For the years ended December 31, 2020 and 2019 the appropriation percentage totaled 5%.

Funds with Deficiencies - From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or UPMIFA requires the YMCA to retain as a fund of perpetual duration. Deficiencies of this nature that are in excess of related temporarily restricted amounts are reported in unrestricted net assets. There were no such amounts as of December 31, 2020 and 2019.

Central Lincoln County YMCA
Notes to Financial Statements, Continued

NOTE 12 - NET ASSET COMPOSITION

As of December 31, 2020:

	<u>Without</u> <u>Restrictions</u>	<u>With Temp.</u> <u>Restrictions</u>	<u>With Perm.</u> <u>Restrictions</u>	<u>Total</u>
Endowment Funds	\$ -	-	159,470	159,470
Capital Improvement Funds	-	1,851,937	-	1,851,937
Board-designated cash	-	-	-	-
Unrestricted undesignated	(521,699)	-	-	(521,699)
Held in property & equipment	5,460,894	-	-	5,460,894
<u>Total Net Assets</u>	\$ 4,939,195	1,851,937	159,470	6,950,602

As of December 31, 2019:

	<u>Unrestricted</u>	<u>Temporarily</u> <u>Restricted</u>	<u>Permanently</u> <u>Restricted</u>	<u>Total</u> <u>Net Assets</u>
Endowment Funds	\$ -	-	159,470	159,470
Capital Improvement Funds	-	1,659,761	-	1,659,761
Board-designated cash	805	-	-	805
Unrestricted undesignated	(452,706)	-	-	(452,706)
Held in property & equipment	5,703,187	-	-	5,703,187
<u>Total Net Assets</u>	\$ 5,251,286	1,659,761	159,470	7,070,517

NOTE 13 - SPECIAL EVENTS

As part of its fundraising efforts, the YMCA holds periodic special events. Revenue for special events is recognized in the period in which the event is held. Direct expenses associated with special events for the years ended December 31, 2020 and 2019 are netted against such revenue as follows:

	<u>2020</u>	<u>2019</u>
Special event revenue	\$ 17,667	27,251
Special event direct expenses	(8,316)	(12,646)
<u>Special event revenue, net</u>	\$ 9,351	14,605

Central Lincoln County YMCA
Notes to Financial Statements, Continued

NOTE 14 - FINANCIAL ASSISTANCE PROVIDED

The YMCA provides financial assistance, through contributions and other fundraising, to help defray the costs of membership and program and other fees for individuals with need. Membership dues and program fees are recorded net of such assistance in the accompanying statements of activities. Such amounts were as follows for the years ended December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Membership dues	\$ 756,104	871,300
<u>Less financial assistance provided</u>	<u>(72,629)</u>	<u>(64,297)</u>
<u>Membership dues, net</u>	<u>\$ 683,475</u>	<u>807,003</u>
Program fees	\$ 609,395	979,248
<u>Less financial assistance provided</u>	<u>(11,462)</u>	<u>(35,800)</u>
<u>Program fees, net</u>	<u>\$ 597,933</u>	<u>943,448</u>

NOTE 15 - DEFINED CONTRIBUTION PLANS

The YMCA participates in the YMCA Retirement Fund Retirement Plan, which is a defined contribution, money purchase, church plan that is intended to satisfy the qualification requirements of Section 401(a) of the Internal Revenue Code of 1986, as amended and The YMCA Retirement Fund Tax-Deferred Savings Plan which is a retirement income account plan as defined in Section 403(b)(9) of the code. Both Plans are sponsored by The Young Men's Christian Association Retirement Fund (Fund). The Fund is a not-for-profit, tax-exempt pension fund incorporated in the State of New York (1922) organized and operated for the purpose of providing retirement and other benefits for employees of YMCAs throughout the United States. The plans are operated as church pension plans. Participation is available to all duly organized and reorganized YMCAs and their eligible employees. As a defined contribution plan, the Retirement Plan and Tax-Deferred Savings Plan have no unfunded benefit obligations.

In accordance with the agreement, contributions for the YMCA Retirement Fund Retirement Plan are a percentage of the participating employees' salary. These amounts are paid by the YMCA. The YMCA contributes 6% of the employee's gross salary and the employee contributes 4%. All full-time employees at least 21 years of age are eligible for participation after two full years of employment. Participation is mandatory for all eligible employees. Total plan costs for the years ended December 31, 2020 and 2019 were \$34,313 and \$34,082, respectively.

Contributions to the YMCA Retirement Fund Tax-Deferred Savings Plan are withheld from employees' salaries and remitted to the YMCA Retirement Fund. There is no matching employer contribution to this plan.

Central Lincoln County YMCA
Notes to Financial Statements, Continued

NOTE 16 - RELATED PARTIES

The YMCA pays dues to YMCA of the USA. Dues paid to YMCA of the U.S.A. for the years ended December 31, 2020 and 2019 were \$20,419 and \$27,798, respectively.

NOTE 17 – LEASE COMMITMENTS

Operating Leases: The YMCA has entered into an operating lease through March 2023 for a copier. Expense for the years ended December 31, 2020 and 2019 totaled \$9,148 and \$2,520 per year, respectively. Payments are subject to vary based on use of the copier. Future minimum payments required under this agreement is as follows:

2021	\$	4,127
2022		4,184
2023		<u>1,569</u>
Total	\$	<u>9,880</u>

Capital Leases: The YMCA has entered into various capital lease agreements for fitness equipment through May 2021. The outstanding balance of these obligations at December 31, 2020 and 2019 was \$28,226 and \$20,497, respectively. Future minimum payments required under these agreements are as follows:

2021	\$	17,879
2022		11,864
2023		<u>1,517</u>
Total	\$	<u>31,260</u>

NOTE 18 – RENTAL INCOME

The Organization leases space to another organization under an agreement expiring in August 2021. The lease includes an annual increase tied to the inflation rate. Future minimum rental income from the base lease amount is as follows:

<u>Year ending</u> <u>December 31</u>	<u>Amount</u>
<u>2021</u>	<u>11,798</u>
Total	\$ <u>11,798</u>