



**Central Lincoln County YMCA
Financial Statements**

Years Ended December 31, 2021 and 2020



Independent Auditors' Report

To the Board of Trustees of
Central Lincoln County YMCA

Opinion

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, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

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 December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the year 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. 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 Central Lincoln County YMCA 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.

Responsibility of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Central Lincoln County YMCA's ability to continue as a going concern within one year after the date that the 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 financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 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, including omissions, 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 financial statements.

46 FIRSTPARK DRIVE, OAKLAND, ME 04963 PHONE **207.873.1603**
259 FRONT STREET, BATH, ME 04530
150 CAPITOL STREET, SUITE 3, AUGUSTA, ME 04330

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 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 Central Lincoln County YMCA'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Central Lincoln County YMCA'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.

One River, CPAs

Augusta, Maine
May 27, 2022

CENTRAL LINCOLN COUNTY YMCA

Statements of Financial Position

December 31, 2021 and 2020

	2021			2020		
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total
ASSETS						
Current assets:						
Cash and cash equivalents - without restrictions	\$ 736,000	-	736,000	131,226	-	131,226
Cash and cash equivalents - designated & with restrictions	-	110,050	110,050	-	116,500	116,500
Accounts receivable	210,239	-	210,239	48,629	-	48,629
Due from funds without donor restrictions	-	375,000	375,000	-	400,000	400,000
Promises to give receivable, net	3,465	6,476	9,941	7,112	7,000	14,112
Prepaid expenses	-	-	-	1,566	-	1,566
Inventory	385	-	385	355	-	355
Total current assets	950,089	491,526	1,441,615	188,888	523,500	712,388
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	491,436	-	491,436	521,930	-	521,930
	9,829,981	-	9,829,981	9,860,475	-	9,860,475
Less: accumulated depreciation	(2,260,073)	-	(2,260,073)	(1,979,733)	-	(1,979,733)
Net property and equipment	7,569,908	-	7,569,908	7,880,742	-	7,880,742
Other assets:						
Right of use assets - finance lease	14,283	-	14,283	-	-	-
Right of use assets - operating lease	3,468	-	3,468	-	-	-
Promises to give receivable, net of current portion	56	2,980	3,036	7,015	17,663	24,678
Investments	27,666	1,517,739	1,545,405	81	1,435,467	1,435,548
Total other assets	45,473	1,520,719	1,566,192	7,096	1,453,130	1,460,226
Total assets	\$ 8,565,470	2,012,245	10,577,715	8,076,726	1,976,630	10,053,356
LIABILITIES AND NET ASSETS						
Current liabilities:						
Line of credit	\$ -	-	-	-	-	-
Accounts payable	21,356	-	21,356	6,158	-	6,158
Due to funds with donor restrictions	375,000	-	375,000	400,000	-	400,000
Accrued expenses	28,542	-	28,542	3,217	-	3,217
Deferred revenue	36,421	-	36,421	21,192	-	21,192
Current portion of capital lease obligations	-	-	-	17,879	-	17,879
Current portion of lease liabilities - finance lease	11,636	-	11,636	-	-	-
Current portion of lease liabilities - operating lease	2,438	-	2,438	-	-	-
Current portion of notes payable	40,872	-	40,872	94,332	-	94,332
Total current liabilities	516,265	-	516,265	542,778	-	542,778
Long-term liabilities:						
Capital lease obligations, net of current portion	-	-	-	10,347	-	10,347
Lease liabilities - finance lease, net of current portion	2,647	-	2,647	-	-	-
Lease liabilities - operating lease, net of current portion	1,030	-	1,030	-	-	-
Notes payable, net of current portion	2,278,598	-	2,278,598	2,549,629	-	2,549,629
Total long-term liabilities	2,282,275	-	2,282,275	2,559,976	-	2,559,976
Total liabilities	2,798,540	-	2,798,540	3,102,754	-	3,102,754
Net assets:						
Without donor restrictions	5,766,930	-	5,766,930	4,973,972	-	4,973,972
With donor restrictions	-	2,012,245	2,012,245	-	1,976,630	1,976,630
Total net assets	5,766,930	2,012,245	7,779,175	4,973,972	1,976,630	6,950,602
Total liabilities and net assets	\$ 8,565,470	2,012,245	10,577,715	8,076,726	1,976,630	10,053,356

See independent auditors' report and accompanying notes to financial statements.

CENTRAL LINCOLN COUNTY YMCA
Statements of Activities
Years Ended December 31, 2021 and 2020

	2021			2020		
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total
Operating activities:						
Revenue and support:						
Program, net	\$ 885,523	-	885,523	623,448	-	623,448
Membership dues, net	581,285	-	581,285	683,475	-	683,475
Facility rentals	34,807	-	34,807	31,465	-	31,465
Sales	16,941	-	16,941	496	-	496
Donations	958,812	53,000	1,011,812	272,523	30,023	302,546
Special events, net	83,423	-	83,423	9,352	-	9,352
Grants and miscellaneous	823,482	-	823,482	277,410	162,153	439,563
Interest and dividends	4,587	38,890	43,477	37,112	6,265	43,377
Total revenue and support	3,388,860	91,890	3,480,750	1,935,281	198,441	2,133,722
Net assets released from restrictions	76,153	(76,153)	-	6,265	(6,265)	-
Net asset reclassifications	-	-	-	34,777	(34,777)	-
Total revenues, support and reclassifications	3,465,013	15,737	3,480,750	1,976,323	157,399	2,133,722
Expenses:						
Daycare and afterschool	911,272	-	911,272	838,524	-	838,524
Camp	206,354	-	206,354	135,743	-	135,743
Racquet sports	389,739	-	389,739	326,589	-	326,589
Other programs	718,410	-	718,410	657,616	-	657,616
Total program services	2,225,775	-	2,225,775	1,958,472	-	1,958,472
Management and general	344,396	-	344,396	312,229	-	312,229
Fundraising	96,173	-	96,173	41,785	-	41,785
Total supporting services	440,569	-	440,569	354,014	-	354,014
Total expenses	2,666,344	-	2,666,344	2,312,486	-	2,312,486
Change in net assets from operations	798,669	15,737	814,406	(336,163)	157,399	(178,764)
Non-operating activities:						
Gain on disposal of property and equipment	-	-	-	773	-	773
Realized and unrealized gains (losses) on investments	(5,711)	19,878	14,167	58,076	-	58,076
Total non-operating activities	(5,711)	19,878	14,167	58,849	-	58,849
Change in net assets	792,958	35,615	828,573	(277,314)	157,399	(119,915)
Net assets, beginning of year	4,973,972	1,976,630	6,950,602	5,251,286	1,819,231	7,070,517
Net assets, end of year	\$ 5,766,930	2,012,245	7,779,175	4,973,972	1,976,630	6,950,602

See independent auditors' report and accompanying notes to financial statements.

CENTRAL LINCOLN COUNTY YMCA
Statement of Functional Expenses
Year Ended December 31, 2021

	Program Services					Supporting Services			Total
	Daycare and Afterschool Programs	Camp Programs	Racquet Sport Programs	Other Programs	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Salaries	\$ 545,992	51,477	206,644	369,119	1,173,232	47,928	56,485	104,413	1,277,645
Payroll taxes and benefits	98,440	6,348	35,995	73,953	214,736	10,546	10,186	20,732	235,468
Supplies	14,500	3,515	21,827	16,788	56,630	4,781	1,763	6,544	63,174
Contractual	19,760	116,349	10,380	33,315	179,804	134,537	20	134,557	314,361
Travel	893	980	549	1,205	3,627	36	-	36	3,663
Advertising	274	62	342	866	1,544	-	-	-	1,544
Occupancy	11,434	4,762	26,471	58,571	101,238	424	-	424	101,662
Depreciation	146,711	12,345	47,003	80,101	286,160	-	15,061	15,061	301,221
Insurance	1,544	1,930	10,806	23,928	38,208	3,517	-	3,517	41,725
Telephone	1,629	748	3,592	8,024	13,993	678	85	763	14,756
Repairs and maintenance	14,399	5,540	17,010	37,624	74,573	60	30	90	74,663
Postage and printing	520	44	167	283	1,014	145	4,331	4,476	5,490
Dues & licenses	1,060	136	1,283	653	3,132	32,004	-	32,004	35,136
Food & beverage	32,123	267	623	1,735	34,748	333	1,982	2,315	37,063
Interest	6,388	538	2,047	3,725	12,698	105,908	6,230	112,138	124,836
Bad debts	-	-	-	-	-	2,557	-	2,557	2,557
Miscellaneous	15,605	1,313	5,000	8,520	30,438	942	-	942	31,380
Total expenses	\$ 911,272	206,354	389,739	718,410	2,225,775	344,396	96,173	440,569	2,666,344

See independent auditors' report and 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	Total Supporting Services		
Salaries	\$ 423,698	75,034	176,888	328,538	1,004,158	39,225	14,296	53,521	1,057,679	
Payroll taxes and benefits	76,536	9,207	31,059	70,788	187,590	11,737	3,604	15,341	202,931	
Supplies	18,723	2,377	4,469	20,175	45,744	5,647	705	6,352	52,096	
Contractual	109,069	9,159	7,439	26,099	151,766	125,581	153	125,734	277,500	
Travel	1,481	664	690	1,065	3,900	121	-	121	4,021	
Advertising	577	113	122	223	1,035	-	-	-	1,035	
Occupancy	7,997	4,197	22,264	49,300	83,758	795	-	795	84,553	
Depreciation	134,909	22,963	45,926	83,242	287,040	-	15,107	15,107	302,147	
Insurance	1,252	1,566	8,767	19,412	30,997	1,879	-	1,879	32,876	
Telephone	1,369	578	2,932	6,493	11,372	105	-	105	11,477	
Repairs and maintenance	14,133	6,388	15,110	34,745	70,376	540	-	540	70,916	
Postage and printing	463	67	205	244	979	120	3,069	3,189	4,168	
Dues & licenses	968	230	260	500	1,958	30,828	-	30,828	32,786	
Food & beverage	16,446	49	40	517	17,052	16	-	16	17,068	
Interest	16,610	776	1,552	2,814	21,752	82,468	4,851	87,319	109,071	
Bad debts	-	-	-	-	-	12,249	-	12,249	12,249	
Miscellaneous	14,293	2,375	8,866	13,461	38,995	918	-	918	39,913	
Total expenses	\$ 838,524	135,743	326,589	657,616	1,958,472	312,229	41,785	354,014	2,312,486	

See independent auditors' report and accompanying notes to financial statements.

CENTRAL LINCOLN COUNTY YMCA
Statements of Cash Flows
Years Ended December 31, 2021 and 2020

	2021	2020
Cash flows from operating activities:		
Change in net assets	\$ 828,573	(119,915)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Net realized and unrealized gains on investments	(14,167)	(58,076)
Depreciation	301,221	302,147
Amortization of loan origination costs	946	946
Forgiveness of PPP loans	(572,800)	-
(Increase) decrease in:		
Accounts receivable	(161,610)	20,391
Promises to give receivable	25,813	35,631
Prepaid expenses	1,566	907
Inventory	(30)	-
Increase (decrease) in:		
Accounts payable	15,198	(64,097)
Accrued expenses	25,325	(6,097)
Deferred revenue	15,229	(37,501)
Net cash provided by operating activities	465,264	74,336
Cash flows from investing activities:		
Purchase of property and equipment	(4,241)	(1,398)
(Purchase) sale of investments, net	(95,690)	(32,020)
Net cash used in investing activities	(99,931)	(33,418)
Cash flows from financing activities:		
Proceeds from (payments on) line of credit, net	-	(55,378)
Payments on finance lease liabilities	(11,864)	(24,958)
Payments on operating lease liabilities	(2,508)	-
Proceeds from obtaining notes payable	286,400	286,400
Payments on notes payable	(39,037)	(33,497)
Net cash provided by financing activities	232,991	172,567
Net increase in cash, cash equivalents, and restricted cash	598,324	213,485
Cash, cash equivalents, and restricted cash, beginning of year	247,726	34,241
Cash, cash equivalents, and restricted cash, end of year	\$ 846,050	247,726
Cash, cash equivalents, and restricted cash:		
Cash and cash equivalents - without restrictions	\$ 736,000	131,226
Cash and cash equivalents - designated & with restrictions	110,050	116,500
Total Cash, cash equivalents, and restricted cash:	\$ 846,050	247,726
Supplemental disclosure of cash flow information:		
Interest paid	\$ 123,890	109,071
Income taxes paid	-	-
Non-cash investing activities:		
Cost of new equipment	-	32,687
Issuance of lease to purchase equipment	-	(32,687)

See independent auditors' report and accompanying notes to financial statements.

CENTRAL LINCOLN COUNTY YMCA
Notes to Financial Statements
Years Ended December 31, 2021 and 2020

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 YMCA 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 YMCA'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 encourage campers of all ages to become better leaders, friends and, of course, to have fun!

Racquet Sports - The racquet sports program 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.

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.

CENTRAL LINCOLN COUNTY YMCA
Notes to Financial Statements
Years Ended December 31, 2021 and 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Reclassifications – Certain amounts in the prior year financial statements have been reclassified to conform to the presentation in the current year.

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.

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.

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.

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.

See independent auditors' report.

CENTRAL LINCOLN COUNTY YMCA
Notes to Financial Statements
Years Ended December 31, 2021 and 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Advertising - The YMCA expenses advertising costs as incurred.

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 2017 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 and a sweep account is utilized to protect balances in excess of that amount. As of December 31, 2021 and 2020 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.

Property and Equipment - Property and equipment acquisitions 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.

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.

CENTRAL LINCOLN COUNTY YMCA
Notes to Financial Statements
Years Ended December 31, 2021 and 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Change in Accounting Principles - 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 YMCA elected to adopt ASU 2016-02 early in 2021 on the modified retrospective basis whereby the cumulative adjustment is recorded to the beginning net assets balance as of January 1, 2021. The effects of adopting ASU 2016-02 created a new asset and liability line for right of use assets and lease liabilities. The changes resulted in no significant cumulative adjustment.

Subsequent Events - Subsequent events were evaluated through the report date, which is the date the financial statements were available to be issued and determined that any subsequent events that would require recognition or disclosure have been considered in the preparation of the financial statements.

NOTE 3 - 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:

	2021	2020
Unconditional promises expected to be collected in:		
Less than one year	\$ 9,941	19,680
One year to five years	3,163	20,034
	13,104	39,714
Less:		
Allowance for uncollectible promises to give	-	-
Discount to present value	127	924
	12,977	38,790
Less current portion	9,941	14,112
Total, less current portion	\$ 3,036	24,678

Promises to give receivable in more than one year are discounted at 1.75% at both December 31, 2021 and 2020.

Included in pledges receivable are amounts promised by certain members of the Board of Trustees. At December 31, 2021 and 2020, those amounts totaled approximately \$0 and \$2,000, respectively.

NOTE 4 - 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.

CENTRAL LINCOLN COUNTY YMCA
Notes to Financial Statements
Years Ended December 31, 2021 and 2020

NOTE 4 - INVESTMENTS AND FAIR VALUE MEASUREMENTS, CONTINUED

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, 2021 and 2020 are summarized below:

Level 1 investments without donor restrictions at December 31, 2021 and 2020 are composed of the following:

	2021		
	Fair Value	Cost	Appreciation (Depreciation)
Cash equivalents	\$ 34	34	-
Equity	27,632	26,885	747
Fixed income	-	-	-
Total on Statements of Financial Position	\$ 27,666	26,919	747

CENTRAL LINCOLN COUNTY YMCA
Notes to Financial Statements
Years Ended December 31, 2021 and 2020

NOTE 4 - INVESTMENTS AND FAIR VALUE MEASUREMENTS, CONTINUED

2020			
	Fair Value	Cost	Appreciation (Depreciation)
Cash equivalents	\$ 81	81	-
Equity	-	-	-
Fixed income	-	-	-
Total on Statements of Financial Position	\$ 81	81	-

Level 1 investments with temporary donor restrictions at December 31, 2021 and 2020 are composed of the following:

2021			
	Fair Value	Cost	Appreciation (Depreciation)
Cash equivalents	\$ 210,005	210,005	-
Equity	1,103,295	1,073,466	29,829
Fixed income	-	-	-
Total on Statements of Financial Position	\$ 1,313,300	1,283,471	29,829

2020			
	Fair Value	Cost	Appreciation (Depreciation)
Cash equivalents	\$ 48,207	48,207	-
Equity	-	-	-
Fixed income	1,200,584	1,133,000	67,584
Total on Statements of Financial Position	\$ 1,248,791	1,181,207	67,584

Level 1 investments with donor restrictions in perpetuity at December 31, 2021 and 2020 are composed of the following:

2021			
	Fair Value	Cost	Appreciation (Depreciation)
Cash equivalents	\$ 6,079	6,079	-
Equity	124,960	95,359	29,601
Fixed income	73,400	73,218	182
Total on Statements of Financial Position	\$ 204,439	174,656	29,783

See independent auditors' report.

CENTRAL LINCOLN COUNTY YMCA
Notes to Financial Statements
Years Ended December 31, 2021 and 2020

NOTE 4 - INVESTMENTS AND FAIR VALUE MEASUREMENTS, CONTINUED

	2020		
	Fair Value	Cost	Appreciation (Depreciation)
Cash equivalents	\$ 4,449	4,449	-
Equity	125,604	103,514	22,090
Fixed income	56,623	55,103	1,520
Total on Statements of Financial Position	\$ 186,676	163,066	23,610

Investment advisor fees totaled \$3,213 and \$4,589, for the years ended December 31, 2021 and 2020, respectively.

NOTE 5 – AVAILABILITY AND LIQUIDITY

The following represents the YMCA’s financial assets at December 31, 2021:

Cash	\$	846,050
Accounts receivable		210,239
Current portion of promises to give		9,941
Investments		1,545,405
Total financial assets	\$	2,611,635
Less amounts not available to be used within one year:		
Net assets with donor restrictions		2,012,245
Less: net assets with temporary restrictions to be met in less than a year		119,506
		1,892,739
Financial assets available to meet general expenditures over the next twelve months	\$	718,896

Central Lincoln County YMCA has a \$300,000 line of credit available to meet cash flow needs.

NOTE 6 - PROPERTY AND EQUIPMENT

Property and equipment consists of the following at December 31:

	2021	2020
Land and improvements	\$ 159,333	159,333
Buildings and building improvements	9,179,212	9,179,212
Equipment	491,436	521,930
	9,829,981	9,860,475
Less: accumulated depreciation	2,260,073	1,979,733
Net investment in property and equipment	\$ 7,569,908	7,880,742

CENTRAL LINCOLN COUNTY YMCA
Notes to Financial Statements
Years Ended December 31, 2021 and 2020

NOTE 7 - LINE OF CREDIT

At December 31, 2021, the YMCA had a line of credit with a local bank which provided borrowings up to \$300,000. The line was increased from \$200,000 during 2021. Advances are payable on demand including variable interest at the *Wall Street Journal* Prime Rate (3.25% at December 31, 2021), and are unsecured.

NOTE 8 - NOTES PAYABLE

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

	2021	2020
Note payable to Damariscotta Bank & Trust, due in monthly installments of \$1,066, including interest at 3.25%, through January 2026. The note is secured by real estate.	\$ 49,319	60,265
Note payable to Coastal Enterprises, Inc., due in monthly installments of \$12,136, including interest at 5.00%, through December 2056. The note is secured by real estate.	2,303,266	2,331,357
Note payable to First National Bank pursuant to the Paycheck Protection Program. This note was forgiven in full in 2021.	-	286,400
	2,352,585	2,678,022
Less: unamortized debt issuance costs	33,115	34,061
Notes payable less unamortized debt issuance costs	2,319,470	2,643,961
Less: current portion	40,872	94,332
	\$ 2,278,598	2,549,629

Maturities of notes payable at December 31, 2021 are as follows:

Years ending December 31:	
2022	\$ 40,872
2023	42,784
2024	44,463
2025	46,873
2026	37,925
Thereafter	2,139,668
	\$ 2,352,585

NOTE 9 – LEASING ACTIVITIES

The YMCA has operating and finance (capital in 2020) leases of office and fitness equipment. The leases have remaining terms not exceeding two years. Monthly payments on the leases total to \$1,198 at December 31, 2021.

CENTRAL LINCOLN COUNTY YMCA
Notes to Financial Statements
Years Ended December 31, 2021 and 2020

NOTE 9 – LEASING ACTIVITIES, CONTINUED

The following summarizes the weighted average remaining lease term and discount rate as of December 31, 2021:

Weighted Average Remaining Lease Term	
Finance leases	1.0 years
Operating leases	1.3 years

Weighted Average Discount Rate	
Finance leases	3.25%
Operating leases	3.25%

Maturities of lease liabilities as of December 31, 2021 are as follows:

Years Ending December 31:	<u>Finance</u>	<u>Operating</u>
2022	\$ 11,636	2,438
2023	2,647	1,030
Total	\$ 14,283	3,468

The following summarizes the line items in the statements of activities which include the components of lease expense for the year ended December 31, 2021:

Finance lease costs:	
Amortization of lease assets included in management and general expenses	\$ 11,631
Interest on lease liabilities included in management and general expenses	600
Total finance lease costs	\$ 12,231

The operating cash outflows from finance leases consisted of \$600 for the year ended December 31, 2021.

NOTE 10 - BOARD DESIGNATED NET ASSETS

The YMCA's Board designated net assets consist of investments and totaled \$27,666 and \$26,556 at December 31, 2021 and 2020, respectively.

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

	<u>2021</u>	<u>2020</u>
Board designated net assets, beginning of year	\$ 26,556	805
Additions	83	26,556
Dividends and interest	753	-
Realized and unrealized gains (losses)	274	-
Appropriations/expenditures	-	(805)
Total board designated net assets	\$ 27,666	26,556

CENTRAL LINCOLN COUNTY YMCA
Notes to Financial Statements
Years Ended December 31, 2021 and 2020

NOTE 11 – NET ASSETS WITH TEMPORARY DONOR RESTRICTIONS

The YMCA's temporarily restricted net assets consist of the following at December 31:

	<u>2021</u>	<u>2020</u>
Gifts and other unexpended revenues and gains restricted to:		
Time restricted in quasi-endowment funds	\$ 1,103,295	1,062,235
Capital improvements pledges	-	8,931
Pool improvements	585,005	585,060
Childcare food	-	30,000
Childcare program	60,000	60,000
FARMS	-	15,000
Outreach	-	7,500
Tennis program	-	4,000
Tennis mortgage	9,456	17,228
Afterschool program	34,000	-
Camp	16,050	-
Totals	\$ 1,807,806	1,789,954

Included in the above amounts on December 31, 2021 and 2020 is \$375,000 and \$400,000, respectively, 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, 2021 and 2020 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.

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 consist of the following for the years ended December 31:

	<u>2021</u>	<u>2020</u>
Childcare food	\$ 30,000	5,000
Capital improvement pledges fulfilled	8,931	-
FARMS	15,000	-
Outreach	7,500	-
Tennis program	6,000	-
Tennis mortgage	7,772	1,265
Camp	950	-
Totals	\$ 76,153	6,265

NOTE 12 - 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.

CENTRAL LINCOLN COUNTY YMCA
Notes to Financial Statements
Years Ended December 31, 2021 and 2020

NOTE 12 - ENDOWMENT COMPOSITION, CONTINUED

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

Endowments consisted of the following at December 31:

	2021			
	Without Donor Restrictions	With Donor Restrictions		Total Net Assets
		Temporary Restrictions	Permanent Restrictions	
Donor restricted endowment funds	\$ -	1,103,295	204,439	1,307,734
Other endowment funds				
Undesignated	-	-	-	-
Donor advised	-	-	-	-
Designated	-	-	-	-
Subtotal other endowment funds	-	-	-	-
Board designated endowment funds	27,666	-	-	27,666
Total Endowment Funds	\$ 27,666	1,103,295	204,439	1,335,400

	2020			
	Without Donor Restrictions	With Donor Restrictions		Total Net Assets
		Temporary Restrictions	Permanent Restrictions	
Donor restricted endowment funds	\$ -	1,062,235	186,676	1,248,911
Other endowment funds				
Undesignated	-	-	-	-
Donor advised	-	-	-	-
Designated	-	-	-	-
Subtotal other endowment funds	-	-	-	-
Board designated endowment funds	26,556	-	-	26,556
Total Endowment Funds	\$ 26,556	1,062,235	186,676	1,275,467

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.

CENTRAL LINCOLN COUNTY YMCA
Notes to Financial Statements
Years Ended December 31, 2021 and 2020

NOTE 12 - ENDOWMENT COMPOSITION, CONTINUED

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 31st. For the years ended December 31, 2021 and 2020 the appropriation percentage totaled 0% to allow the endowment to grow.

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, 2021 and 2020.

NOTE 13 - NET ASSET COMPOSITION

Net assets consisted of the following at December 31:

	2021			
	Without	With Donor Restrictions		Total
	Donor Restrictions	Temporary Restrictions	Permanent Restrictions	
Endowment funds	\$ 27,666	1,103,295	204,439	1,335,400
Unrestricted	488,826	-	-	488,826
Donor designations	-	704,511	-	704,511
Property & equipment, net of debt	5,250,438	-	-	5,250,438
Total net assets	\$ 5,766,930	1,807,806	204,439	7,779,175

	2020			
	Without	With Donor Restrictions		Total
	Donor Restrictions	Temporary Restrictions	Permanent Restrictions	
Endowment funds	\$ 26,556	1,062,235	186,676	1,275,467
Unrestricted	(547,539)	-	-	(547,539)
Donor designations	-	727,719	-	727,719
Property & equipment, net of debt	5,494,955	-	-	5,494,955
Total net assets	\$ 4,973,972	1,789,954	186,676	6,950,602

See independent auditors' report.

CENTRAL LINCOLN COUNTY YMCA
Notes to Financial Statements
Years Ended December 31, 2021 and 2020

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. Program fees and membership dues are recorded net of such assistance in the accompanying statements of activities. Such amounts were as follows for the years ended December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Program fees	\$ 896,370	628,081
Less: financial assistance provided	10,847	4,633
Program fees, net	885,523	623,448
Membership dues	690,191	756,104
Less: financial assistance provided	108,906	72,629
Membership dues, net	\$ 581,285	683,475

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, 2021 and 2020 were \$38,592 and \$34,312, 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.

NOTE 16 - RELATED PARTIES

The YMCA pays dues to YMCA of the U.S.A. Dues paid to YMCA of the U.S.A. for the years ended December 31, 2021 and 2020 were \$31,448 and \$20,419, respectively.

NOTE 17 - CONTINGENCIES

The YMCA receives grants and fees from federal and state agencies and applied for refunds under the Employee Retention Tax Credit program, which are subject to audit by the granting agency. If instances of non-compliance are found, those audits could result in adjustments to settlements and requests for funds to be returned. As of this date, it is not possible to determine liabilities, if any, that may arise from future audits and as such, Management has not recorded any provisions in the financial statements.