



**Central Lincoln County YMCA
Financial Statements**

Years Ended December 31, 2023 and 2022

CENTRAL LINCOLN COUNTY YMCA
Financial Statements
Years Ended December 31, 2023 and 2022

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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, 2023 and 2022, 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, 2023 and 2022, 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.

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.

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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 29, 2024

CENTRAL LINCOLN COUNTY YMCA
Statements of Financial Position
December 31, 2023 and 2022

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
ASSETS						
Current assets:						
Cash and cash equivalents - without restrictions	\$ 200,109	-	200,109	990,020	-	990,020
Cash and cash equivalents - designated and with restrictions	-	256,937	256,937	-	171,945	171,945
Short-term investments	683,105	-	683,105	-	-	-
Accounts receivable	59,109	-	59,109	41,893	-	41,893
Due from funds without donor restrictions	-	325,000	325,000	-	350,000	350,000
Promises to give receivable, net	3,724	10,000	13,724	1,748	21,402	23,150
Prepaid expenses	5,361	-	5,361	4,791	-	4,791
Inventory	2,131	-	2,131	374	-	374
Total current assets	953,539	591,937	1,545,476	1,038,826	543,347	1,582,173
Property and equipment:						
Land and land improvements	159,333	-	159,333	159,333	-	159,333
Building and improvements	8,570,554	-	8,570,554	8,564,062	-	8,564,062
Equipment	454,363	-	454,363	417,385	-	417,385
Property and equipment, cost	9,184,250	-	9,184,250	9,140,780	-	9,140,780
Less: accumulated depreciation	(2,187,804)	-	(2,187,804)	(1,927,447)	-	(1,927,447)
Net property and equipment	6,996,446	-	6,996,446	7,213,333	-	7,213,333
Other assets:						
Right of use assets - finance lease	5,349	-	5,349	11,088	-	11,088
Right of use assets - operating lease	21,617	-	21,617	27,069	-	27,069
Promises to give receivable, net of current portion	-	9,460	9,460	1,039	19,070	20,109
Investments	27,367	1,739,516	1,766,883	22,506	1,383,207	1,405,713
Total other assets	54,333	1,748,976	1,803,309	61,702	1,402,277	1,463,979
Total assets	\$ 8,004,318	2,340,913	10,345,231	8,313,861	1,945,624	10,259,485
LIABILITIES AND NET ASSETS						
Current liabilities:						
Accounts payable	\$ 47,118	-	47,118	31,653	-	31,653
Due to funds with donor restrictions	325,000	-	325,000	350,000	-	350,000
Accrued expenses	58,971	-	58,971	80,256	-	80,256
Deferred revenue	76,965	-	76,965	63,412	-	63,412
Current portion of lease liabilities - finance lease	4,475	-	4,475	4,910	-	4,910
Current portion of lease liabilities - operating lease	5,759	-	5,759	6,282	-	6,282
Current portion of notes payable	44,491	-	44,491	42,784	-	42,784
Total current liabilities	562,779	-	562,779	579,297	-	579,297
Long-term liabilities:						
Lease liabilities - finance lease, net of current portion	1,164	-	1,164	6,347	-	6,347
Lease liabilities - operating lease, net of current portion	15,858	-	15,858	20,787	-	20,787
Notes payable, net of current portion	2,192,942	-	2,192,942	2,236,768	-	2,236,768
Total long-term liabilities	2,209,964	-	2,209,964	2,263,902	-	2,263,902
Total liabilities	2,772,743	-	2,772,743	2,843,199	-	2,843,199
Net assets:						
Without donor restrictions	5,231,575	-	5,231,575	5,470,662	-	5,470,662
With donor restrictions	-	2,340,913	2,340,913	-	1,945,624	1,945,624
Total net assets	5,231,575	2,340,913	7,572,488	5,470,662	1,945,624	7,416,286
Total liabilities and net assets	\$ 8,004,318	2,340,913	10,345,231	8,313,861	1,945,624	10,259,485

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

CENTRAL LINCOLN COUNTY YMCA
Statements of Activities
Years Ended December 31, 2023 and 2022

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Operating activities:						
Revenue and support:						
Program fees, net	\$ 1,093,309	-	1,093,309	1,025,150	-	1,025,150
Membership dues, net	1,019,565	-	1,019,565	762,817	-	762,817
Facility rentals	13,715	-	13,715	13,703	-	13,703
Donations and grants	713,980	216,800	930,780	826,984	206,319	1,033,303
Special events, net	101,816	-	101,816	67,035	-	67,035
Sales and miscellaneous, net	6,318	-	6,318	17,217	-	17,217
Shared services	72,440	-	72,440	68,984	-	68,984
Interest and dividends	24,802	40,393	65,195	16,819	15,408	32,227
Total revenue and support	3,045,945	257,193	3,303,138	2,798,709	221,727	3,020,436
Net assets released from restrictions	70,519	(70,519)	-	43,104	(43,104)	-
Total revenues, support and reclassifications	3,116,464	186,674	3,303,138	2,841,813	178,623	3,020,436
Expenses:						
Childcare and afterschool	912,553	-	912,553	826,884	-	826,884
Camp	326,113	-	326,113	278,296	-	278,296
Racquet sports	449,647	-	449,647	477,979	-	477,979
Other programs	1,034,539	-	1,034,539	917,343	-	917,343
Total program services	2,722,852	-	2,722,852	2,500,502	-	2,500,502
Management and general	410,639	-	410,639	338,105	-	338,105
Fundraising	226,698	-	226,698	209,673	-	209,673
Total supporting services	637,337	-	637,337	547,778	-	547,778
Total expenses	3,360,189	-	3,360,189	3,048,280	-	3,048,280
Change in net assets from operations	(243,725)	186,674	(57,051)	(206,467)	178,623	(27,844)
Non-operating activities:						
Losses on disposal of property and equipment	-	-	-	(76,639)	-	(76,639)
Realized and unrealized gains (losses) on investments	4,638	208,615	213,253	(13,162)	(245,244)	(258,406)
Total non-operating activities	4,638	208,615	213,253	(89,801)	(245,244)	(335,045)
Change in net assets	(239,087)	395,289	156,202	(296,268)	(66,621)	(362,889)
Net assets, beginning of year	5,470,662	1,945,624	7,416,286	5,766,930	2,012,245	7,779,175
Net assets, end of year	\$ 5,231,575	2,340,913	7,572,488	5,470,662	1,945,624	7,416,286

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

CENTRAL LINCOLN COUNTY YMCA
Statement of Functional Expenses
Year Ended December 31, 2023

	Program Services					Supporting Services			Total
	Childcare and Afterschool Programs	Camp Programs	Racquet Sports Programs	Other Programs	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Salaries	\$ 615,730	90,884	174,982	528,823	1,410,419	91,979	98,889	190,868	1,601,287
Payroll taxes and benefits	133,301	13,682	38,873	106,229	292,085	26,153	18,866	45,019	337,104
Contract services	36,321	156,196	34,073	36,003	262,593	178,130	57,041	235,171	497,764
Supplies	52,962	12,133	25,776	31,784	122,655	5,715	4,790	10,505	133,160
Telephone	2,183	1,078	3,451	7,647	14,359	360	115	475	14,834
Postage and printing	122	122	122	122	488	718	5,995	6,713	7,201
Occupancy	37,932	19,735	71,354	142,813	271,834	783	251	1,034	272,868
Advertising and marketing	128	100	150	2,235	2,613	338	2,487	2,825	5,438
Travel and training	1,367	912	3,853	3,227	9,359	1,961	1,419	3,380	12,739
Dues and licenses	5,821	5,161	5,522	5,161	21,665	30,357	9,714	40,071	61,736
Interest	9,951	9,951	9,951	9,951	39,804	58,532	18,730	77,262	117,066
Depreciation and amortization	13,506	13,506	78,595	156,702	262,309	2,869	918	3,787	266,096
Miscellaneous and bad debt	3,229	2,653	2,945	3,842	12,669	12,744	7,483	20,227	32,896
Total expenses	\$ 912,553	326,113	449,647	1,034,539	2,722,852	410,639	226,698	637,337	3,360,189

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

CENTRAL LINCOLN COUNTY YMCA
Statement of Functional Expenses
Year Ended December 31, 2022

	Program Services					Supporting Services			Total
	Childcare and Afterschool Programs	Camp Programs	Racquet Sports Programs	Other Programs	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Salaries	\$ 558,819	77,955	205,574	454,200	1,296,548	81,162	91,788	172,950	1,469,498
Payroll taxes and benefits	108,823	12,807	40,254	90,254	252,138	23,281	19,789	43,070	295,208
Contract services	31,252	123,335	28,917	31,143	214,647	127,370	40,758	168,128	382,775
Supplies	46,289	9,322	35,360	23,907	114,878	5,814	5,490	11,304	126,182
Telephone	2,098	688	3,823	8,397	15,006	360	115	475	15,481
Postage and printing	160	160	160	160	640	941	5,239	6,180	6,820
Occupancy	47,265	22,733	59,959	119,888	249,845	172	55	227	250,072
Advertising and marketing	328	83	461	399	1,271	370	2,999	3,369	4,640
Travel and training	1,114	477	407	1,141	3,139	1,842	4,813	6,655	9,794
Dues and licenses	3,502	3,502	4,422	3,502	14,928	20,598	6,591	27,189	42,117
Interest	10,058	10,058	10,058	10,058	40,232	59,164	18,932	78,096	118,328
Depreciation and amortization	15,691	15,691	87,076	172,739	291,197	8,317	2,661	10,978	302,175
Miscellaneous and bad debt	1,485	1,485	1,508	1,555	6,033	8,714	10,443	19,157	25,190
Total expenses	\$ 826,884	278,296	477,979	917,343	2,500,502	338,105	209,673	547,778	3,048,280

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

CENTRAL LINCOLN COUNTY YMCA
Statements of Cash Flows
Years Ended December 31, 2023 and 2022

	2023	2022
Cash flows from operating activities:		
Change in net assets	\$ 156,202	(362,889)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Net realized and unrealized (gains) losses on investments	(213,253)	258,406
Depreciation and amortization	266,096	301,228
Losses on disposal of property and equipment	-	76,639
Amortization of loan origination costs	946	946
(Increase) decrease in:		
Accounts receivable	(17,216)	168,346
Promises to give receivable	20,075	(30,282)
Prepaid expenses	(570)	(4,791)
Inventory	(1,757)	11
Increase (decrease) in:		
Accounts payable	15,465	10,703
Accrued expenses	(21,285)	51,631
Deferred revenue	13,553	26,668
Net cash provided by operating activities	218,256	496,616
Cash flows from investing activities:		
Purchase of property and equipment	(43,470)	(6,492)
Purchases of investments	(831,022)	(118,714)
Net cash used in investing activities	(874,492)	(125,206)
Cash flows from financing activities:		
Payments on finance lease liabilities	(5,618)	(16,523)
Payments on notes payable	(43,065)	(38,972)
Net cash used in financing activities	(48,683)	(55,495)
Net (decrease) increase in cash, cash equivalents, and restricted cash	(704,919)	315,915
Cash, cash equivalents, and restricted cash, beginning of year	1,161,965	846,050
Cash, cash equivalents, and restricted cash, end of year	\$ 457,046	1,161,965
Cash, cash equivalents, and restricted cash:		
Cash and cash equivalents - without restrictions	\$ 200,109	990,020
Cash and cash equivalents - designated and with restrictions	256,937	171,945
Total Cash, cash equivalents, and restricted cash:	\$ 457,046	1,161,965
Supplemental disclosure of cash flow information:		
Interest paid	\$ 116,120	118,328
Non-cash investing activities:		
Additions of right of use assets and lease obligations	\$ -	42,521

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

CENTRAL LINCOLN COUNTY YMCA
Notes to Financial Statements
Years Ended December 31, 2023 and 2022

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 comes 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: tumbling, group exercise, youth sports, tennis, pickup basketball, pickleball, personal training, and martial arts.

Childcare 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, Adult Sports, Cooking Classes, and Community Navigation.

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, 2023 and 2022

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Reclassifications – Certain amounts in the 2022 financial statements have been reclassified to conform to the 2023 presentation. The expense groupings and allocations methods used to prepare the statement of functional expenses for 2022 were modified to conform to the current year presentation. There was no effect on the 2022 change in net assets as a result of such reclassifications.

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.

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, 2023 and 2022

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 YMCA's tax returns are subject to examination by the Internal Revenue Service (IRS), generally for three years after they are filed.

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, 2023 and 2022, 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.

Property and Equipment - Property and equipment acquisitions with individual costs in excess of \$5,000 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.

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.

See independent auditors' report.

CENTRAL LINCOLN COUNTY YMCA
Notes to Financial Statements
Years Ended December 31, 2023 and 2022

NOTE 3 – PROMISES TO GIVE RECEIVABLE, CONTINUED

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:

	2023	2022
Unconditional promises expected to be collected in:		
Less than one year	\$ 13,724	23,150
One year to five years	10,000	21,080
	23,724	44,230
Less:		
Allowance for uncollectible promises to give	-	-
Discount to present value	540	971
	23,184	43,259
Less current portion	13,724	23,150
	\$ 9,460	20,109

Promises to give receivable in more than one year are discounted at 2.25% and 1.75% at December 31, 2023 and 2022, 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.

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.

CENTRAL LINCOLN COUNTY YMCA
Notes to Financial Statements
Years Ended December 31, 2023 and 2022

NOTE 4 – INVESTMENTS AND FAIR VALUE MEASUREMENTS, CONTINUED

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).

Mutual Funds - Equities: 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).

Mutual Funds - Fixed Income: consist of mutual funds which are primarily invested in fixed income 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).

Investments measured at fair value at December 31, 2023 and 2022 are summarized below:

	2023			
	Fair Value	Fair Value Measurements		
		Level 1	Level 2	Level 3
Cash equivalents	\$ 355,530	355,530	-	-
Equity mutual funds	1,340,594	1,340,594	-	-
Fixed income mutual funds	70,759	70,759	-	-
	\$ 1,766,883	1,766,883	-	-
	2022			
	Fair Value	Fair Value Measurements		
		Level 1	Level 2	Level 3
Cash equivalents	\$ 227,138	227,138	-	-
Equity mutual funds	1,109,947	1,114,808	-	-
Fixed income mutual funds	68,628	68,628	-	-
	\$ 1,405,713	1,410,574	-	-

Investment advisor fees totaled \$1,334 and \$1,461, for the years ended December 31, 2023 and 2022, respectively.

NOTE 5 – AVAILABILITY AND LIQUIDITY

The following represents the YMCA's financial assets at December 31, 2023:

Cash and cash equivalents	\$ 457,046
Short-term investments	683,105
Accounts receivable	59,109
Current portion of promises to give	13,724
Investments	1,766,883
Total financial assets	\$ 2,979,867
Less amounts not available to be used within one year:	
Net assets with donor restrictions	2,340,913
Less: net assets with temporary restrictions to be met in less than a year	257,328
	2,083,585
Financial assets available to meet general expenditures over the next twelve months	\$ 896,282

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

See independent auditors' report.

CENTRAL LINCOLN COUNTY YMCA
Notes to Financial Statements
Years Ended December 31, 2023 and 2022

NOTE 6 – LINE OF CREDIT

At December 31, 2023, the YMCA had a line of credit with a local bank which provided borrowings up to \$300,000. Advances are payable on demand including variable interest at the *Wall Street Journal* Prime Rate (8.5% at December 31, 2023) and are unsecured.

NOTE 7 – NOTES PAYABLE

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

	2023	2022
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.	\$ 26,032	38,008
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.	2,242,624	2,273,713
Total notes payable	2,268,656	2,311,721
Less: unamortized debt issuance costs	31,223	32,169
Notes payable less unamortized debt issuance costs	2,237,433	2,279,552
Less: current portion	44,491	42,784
Notes payable, net of current portion	\$ 2,192,942	2,236,768

Maturities of notes payable at December 31, 2023 are as follows:

Years ending December 31:	
2024	44,491
2025	46,906
2026	37,575
2027	38,047
Thereafter	2,101,637
Total notes payable	\$ 2,268,656

NOTE 8 – LEASING ACTIVITIES

The YMCA has operating and finance leases of office and fitness equipment. The leases have remaining terms of one to three years and monthly payments on the leases total to \$959 at December 31, 2023.

The following summarizes the weighted average remaining lease term and discount rate as of December 31, 2023 and 2022:

	2023	2022
Weighted Average Remaining Lease Term		
Finance leases	1.3 years	2.3 years
Operating leases	3.4 years	2.1 years
Weighted Average Discount Rate		
Finance leases	6.60%	6.60%
Operating leases	5.50%	2.33%

See independent auditors' report.

CENTRAL LINCOLN COUNTY YMCA
Notes to Financial Statements
Years Ended December 31, 2023 and 2022

NOTE 8 – LEASING ACTIVITIES, CONTINUED

Maturities of lease liabilities as of December 31, 2023 are as follows:

Years Ending December 31:	Finance	Operating
2024	\$ 4,704	6,804
2025	1,176	6,804
2026	-	6,804
2027	-	3,402
Total lease payments	5,880	23,814
Less: interest	241	2,197
Total lease liabilities	\$ 5,639	21,617

The following summarizes the line items in the statements of activities which include the components of lease expense for the years ended December 31, 2023 and 2022:

	2023	2022
Finance lease costs:		
Amortization of lease assets included in management and general expenses	\$ 5,739	15,687
Interest on lease liabilities included in management and general expenses	503	764
Total finance lease costs	\$ 6,242	16,451

NOTE 9 – NET ASSETS

Net assets consisted of the following at December 31:

	2023			
	Without Donor Restrictions	With Donor Restrictions		Total Net Assets
		Temporary Restrictions	Permanent Restrictions	
Endowment funds	\$ 27,367	150,551	1,245,811	1,423,729
Unrestricted	445,195	-	-	445,195
Donor designations	-	925,091	19,460	944,551
Property and equipment, net of debt	4,759,013	-	-	4,759,013
Total net assets	\$ 5,231,575	1,075,642	1,265,271	7,572,488

	2022			
	Without Donor Restrictions	With Donor Restrictions		Total Net Assets
		Temporary Restrictions	Permanent Restrictions	
Endowment funds	\$ 22,506	(80,983)	1,223,511	1,165,034
Unrestricted	514,375	-	-	514,375
Donor designations	-	764,026	39,070	803,096
Property and equipment, net of debt	4,933,781	-	-	4,933,781
Total net assets	\$ 5,470,662	683,043	1,262,581	7,416,286

See independent auditors' report.

CENTRAL LINCOLN COUNTY YMCA
Notes to Financial Statements
Years Ended December 31, 2023 and 2022

NOTE 9 – NET ASSETS, CONTINUED

The YMCA's Board designated net assets consist of investments and totaled \$27,367 and \$22,506 at December 31, 2023 and 2022, respectively.

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

	2023	2022
Board designated net assets, beginning of year	\$ 22,506	27,666
Additions	-	-
Dividends and interest	454	314
Realized and unrealized gains (losses)	4,407	(5,354)
Appropriations/expenditures	-	(120)
Total board designated net assets	\$ 27,367	22,506

The YMCA's net assets with donor restrictions consist of the following at December 31:

	2023	2022
Subject to expenditure for specified purpose:		
Pool improvements	\$ 667,764	590,679
Childcare expansion project	226,037	110,000
Outreach	-	15,000
Tennis mortgage	1,402	1,402
Camp	13,333	17,904
Pickleball	12,055	25,000
Wellness	4,500	4,041
	925,091	764,026
Promise to give towards endowment	19,460	39,070
Endowments subject to spending policy and appropriation:		
Donor restricted funds to be maintained in perpetuity	1,245,811	1,223,511
Unappropriated income (underwater endowment)	150,551	(80,983)
	1,396,362	1,142,528
Totals net assets with donor restrictions	\$ 2,340,913	1,945,624

Included in the above amounts on December 31, 2023 and 2022 is \$325,000 and \$350,000, respectively, that was a donor contribution used in a 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, 2023 and 2022 by recording that amount as due from net assets without donor restrictions in order to replace those funds for their original intended purpose, as requested by the donor.

CENTRAL LINCOLN COUNTY YMCA
Notes to Financial Statements
Years Ended December 31, 2023 and 2022

NOTE 9 – NET ASSETS, CONTINUED

The sources of net assets released from temporary donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of events specified by donors consist of the following for the years ended December 31:

	2023	2022
Childcare food	\$ 33,963	-
Pickleball	12,945	-
Outreach	15,000	-
Wellness	4,041	-
Tennis mortgage	-	8,054
Afterschool program	-	34,000
Camp	4,570	1,050
Total net assets released from restrictions	\$ 70,519	43,104

NOTE 10 – 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

Endowment fund balances consisted of the following at December 31:

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total Net Assets
Board-designated endowment funds	\$ 27,367	-	27,367
Donor designated endowment funds:			
Amounts required to be maintained in perpetuity	-	1,245,811	1,245,811
Accumulated investment gains	-	150,551	150,551
Total Endowment Funds	\$ 27,367	1,396,362	1,423,729

See independent auditors' report.

CENTRAL LINCOLN COUNTY YMCA
Notes to Financial Statements
Years Ended December 31, 2023 and 2022

NOTE 10 – ENDOWMENT COMPOSITION, CONTINUED

	2022		
	Without Donor Restrictions	With Donor Restrictions	Total Net Assets
Board-designated endowment funds	\$ 22,506	-	22,506
Donor designated endowment funds:			
Amounts required to be maintained in perpetuity	-	1,223,511	1,223,511
Accumulated investment losses	-	(80,983)	(80,983)
Total Endowment Funds	\$ 22,506	1,142,528	1,165,034

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 31st. For the years ended December 31, 2023 and 2022 the appropriation percentage totaled 0% to allow the endowment to grow.

Changes in endowment net assets were the following for the years ended December 31:

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 22,506	1,142,528	1,165,034
Net investment return	4,861	231,865	236,726
Contributions/transfers	-	21,969	21,969
Appropriation of endowment assets pursuant to spending-rate policy	-	-	-
Endowment net assets, end of year	\$ 27,367	1,396,362	1,423,729

See independent auditors' report.

CENTRAL LINCOLN COUNTY YMCA
Notes to Financial Statements
Years Ended December 31, 2023 and 2022

NOTE 10 – ENDOWMENT COMPOSITION, CONTINUED

	2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 27,666	1,307,734	1,335,400
Net investment loss	(5,040)	(203,616)	(235,656)
Contributions/transfers	-	70,184	70,184
Appropriation of endowment assets pursuant to spending-rate policy	(120)	(4,774)	(4,894)
Endowment net assets, end of year	\$ 22,506	1,142,528	1,165,034

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. One of the two funds had a deficiency of \$102,488 at December 31, 2022 and there were no deficiencies at December 31, 2023.

NOTE 11 – 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, 2023 and 2022:

	2023	2022
Program fees	\$ 1,111,131	1,044,207
Less: financial assistance provided	17,822	19,057
Program fees, net	1,093,309	1,025,150
Membership dues	1,102,452	900,114
Less: financial assistance provided	82,887	137,297
Membership dues, net	\$ 1,019,565	762,817

NOTE 12 – 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.

CENTRAL LINCOLN COUNTY YMCA
Notes to Financial Statements
Years Ended December 31, 2023 and 2022

NOTE 12 – DEFINED CONTRIBUTION PLANS, CONTINUED

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 7% of the employee's gross salary and the employee contributes 5%. All full-time employees at least 21 years of age are eligible for participation after two years of employment with over 1000 hours in each year. The two years does not have to be consecutive. Participation is mandatory for all eligible employees under the age of 60. Total plan costs for the years ended December 31, 2023 and 2022 were \$59,533 and \$49,414, 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 13 – 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, 2023 and 2022 were \$57,810 and \$38,894, respectively.

NOTE 14 – 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.