



**Central Lincoln County YMCA
Financial Statements**

Years Ended December 31, 2022 and 2021

CENTRAL LINCOLN COUNTY YMCA
Financial Statements
Years Ended December 31, 2022 and 2021

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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, 2022 and 2021, 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, 2022 and 2021, 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

Bath, Maine
June 12, 2023

CENTRAL LINCOLN COUNTY YMCA

Statements of Financial Position

December 31, 2022 and 2021

	2022			2021		
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total
ASSETS						
Current assets:						
Cash and cash equivalents - without restrictions	\$ 990,020	-	990,020	736,000	-	736,000
Cash and cash equivalents - designated & with restrictions	-	171,945	171,945	-	110,050	110,050
Accounts receivable	47,058	-	47,058	210,624	-	210,624
Due from funds without donor restrictions	-	350,000	350,000	-	375,000	375,000
Promises to give receivable, net	1,748	21,402	23,150	3,465	6,476	9,941
Total current assets	1,038,826	543,347	1,582,173	950,089	491,526	1,441,615
Property and equipment:						
Land and land improvements	159,333	-	159,333	159,333	-	159,333
Building and improvements	8,564,062	-	8,564,062	9,179,212	-	9,179,212
Equipment	417,385	-	417,385	491,436	-	491,436
	9,140,780	-	9,140,780	9,829,981	-	9,829,981
Less: accumulated depreciation	(1,927,447)	-	(1,927,447)	(2,260,073)	-	(2,260,073)
Net property and equipment	7,213,333	-	7,213,333	7,569,908	-	7,569,908
Other assets:						
Right of use assets - finance lease	11,088	-	11,088	14,283	-	14,283
Right of use assets - operating lease	27,069	-	27,069	3,468	-	3,468
Promises to give receivable, net of current portion	1,039	19,070	20,109	56	2,980	3,036
Investments	22,506	1,383,207	1,405,713	27,666	1,517,739	1,545,405
Total other assets	61,702	1,402,277	1,463,979	45,473	1,520,719	1,566,192
Total assets	\$ 8,313,861	1,945,624	10,259,485	8,565,470	2,012,245	10,577,715
LIABILITIES AND NET ASSETS						
Current liabilities:						
Accounts payable	\$ 32,059	-	32,059	21,356	-	21,356
Due to funds with donor restrictions	350,000	-	350,000	375,000	-	375,000
Accrued expenses	80,173	-	80,173	28,542	-	28,542
Deferred revenue	63,089	-	63,089	36,421	-	36,421
Current portion of lease liabilities - finance lease	4,910	-	4,910	11,636	-	11,636
Current portion of lease liabilities - operating lease	6,282	-	6,282	2,438	-	2,438
Current portion of notes payable	42,784	-	42,784	40,872	-	40,872
Total current liabilities	579,297	-	579,297	516,265	-	516,265
Long-term liabilities:						
Lease liabilities - finance lease, net of current portion	6,347	-	6,347	2,647	-	2,647
Lease liabilities - operating lease, net of current portion	20,787	-	20,787	1,030	-	1,030
Notes payable, net of current portion	2,236,768	-	2,236,768	2,278,598	-	2,278,598
Total long-term liabilities	2,263,902	-	2,263,902	2,282,275	-	2,282,275
Total liabilities	2,843,199	-	2,843,199	2,798,540	-	2,798,540
Net assets:						
Without donor restrictions	5,470,662	-	5,470,662	5,766,930	-	5,766,930
With donor restrictions	-	1,945,624	1,945,624	-	2,012,245	2,012,245
Total net assets	5,470,662	1,945,624	7,416,286	5,766,930	2,012,245	7,779,175
Total liabilities and net assets	\$ 8,313,861	1,945,624	10,259,485	8,565,470	2,012,245	10,577,715

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

CENTRAL LINCOLN COUNTY YMCA
Statements of Activities
Years Ended December 31, 2022 and 2021

	2022			2021		
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total
Operating activities:						
Revenue and support:						
Program, net	\$ 1,025,150	-	1,025,150	911,353	-	911,353
Membership dues, net	762,817	-	762,817	581,285	-	581,285
Facility rentals	13,703	-	13,703	8,977	-	8,977
Donations and grants	826,984	206,319	1,033,303	1,707,601	53,000	1,760,601
Special events, net	67,035	-	67,035	83,423	-	83,423
Sales and miscellaneous, net	17,217	-	17,217	15,447	-	15,447
Shared services	68,984	-	68,984	76,187	-	76,187
Interest and dividends	16,819	15,408	32,227	4,587	38,890	43,477
Total revenue and support	2,798,709	221,727	3,020,436	3,388,860	91,890	3,480,750
Net assets released from restrictions	43,104	(43,104)	-	76,153	(76,153)	-
Total revenues, support and reclassifications	2,841,813	178,623	3,020,436	3,465,013	15,737	3,480,750
Expenses:						
Daycare and afterschool	1,047,967	-	1,047,967	911,272	-	911,272
Camp	187,723	-	187,723	206,354	-	206,354
Racquet sports	354,346	-	354,346	389,739	-	389,739
Other programs	839,348	-	839,348	718,410	-	718,410
Total program services	2,429,384	-	2,429,384	2,225,775	-	2,225,775
Management and general	484,635	-	484,635	344,396	-	344,396
Fundraising	134,261	-	134,261	96,173	-	96,173
Total supporting services	618,896	-	618,896	440,569	-	440,569
Total expenses	3,048,280	-	3,048,280	2,666,344	-	2,666,344
Change in net assets from operations	(206,467)	178,623	(27,844)	798,669	15,737	814,406
Non-operating activities:						
Losses on disposal of property and equipment	(76,639)	-	(76,639)	-	-	-
Realized and unrealized (losses) gains on investments	(13,162)	(245,244)	(258,406)	(5,711)	19,878	14,167
Total non-operating activities	(89,801)	(245,244)	(335,045)	(5,711)	19,878	14,167
Change in net assets	(296,268)	(66,621)	(362,889)	792,958	35,615	828,573
Net assets, beginning of year	5,766,930	2,012,245	7,779,175	4,973,972	1,976,630	6,950,602
Net assets, end of year	\$ 5,470,662	1,945,624	7,416,286	5,766,930	2,012,245	7,779,175

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

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

	<u>Program Services</u>					<u>Supporting Services</u>			<u>Total</u>
	<u>Daycare and Afterschool Programs</u>	<u>Camp Programs</u>	<u>Racquet Sport Programs</u>	<u>Other Programs</u>	<u>Total Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Supporting Services</u>	
Salaries	\$ 629,116	40,942	176,233	467,304	1,313,595	81,899	74,006	155,905	1,469,500
Payroll taxes and benefits	124,262	4,831	34,283	93,720	257,096	23,430	14,682	38,112	295,208
Supplies	27,587	4,242	22,068	17,723	71,620	2,785	2,240	5,025	76,645
Contract services	20,872	85,383	8,427	16,334	131,016	196,174	-	196,174	327,190
Travel	2,062	689	508	3,164	6,423	287	3,305	3,592	10,015
Advertising	147	9	107	131	394	-	645	645	1,039
Occupancy	23,020	10,156	19,391	43,172	95,739	469	50	519	96,258
Depreciation and amortization	152,731	8,228	33,077	92,130	286,166	-	15,062	15,062	301,228
Insurance	1,902	2,377	13,313	29,479	47,071	475	-	475	47,546
Telephone	1,957	629	3,521	8,614	14,721	676	85	761	15,482
Repairs and maintenance	22,763	10,043	19,177	42,692	94,675	464	49	513	95,188
Postage and printing	1,074	58	233	648	2,013	287	8,121	8,408	10,421
Dues & licenses	1,123	61	1,183	678	3,045	39,983	-	39,983	43,028
Food & beverage	20,393	3,136	16,313	13,101	52,943	2,060	1,656	3,716	56,659
Interest	6,366	343	1,379	3,840	11,928	101,383	5,963	107,346	119,274
Bad debts	-	-	-	-	-	8,879	-	8,879	8,879
Miscellaneous	12,592	16,596	5,133	6,618	40,939	25,384	8,397	33,781	74,720
Total expenses	\$ 1,047,967	187,723	354,346	839,348	2,429,384	484,635	134,261	618,896	3,048,280

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
Contract services	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 and amortization	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
Statements of Cash Flows
Years Ended December 31, 2022 and 2021

	2022	2021
Cash flows from operating activities:		
Change in net assets	\$ (362,889)	828,573
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Net realized and unrealized losses (gains) on investments	258,406	(14,167)
Depreciation and amortization	301,228	301,221
Losses on disposal of property and equipment	76,639	-
Amortization of loan origination costs	946	946
Forgiveness of PPP loans	-	(572,800)
(Increase) decrease in:		
Accounts receivable	163,566	(160,074)
Promises to give receivable	(30,282)	25,813
Increase (decrease) in:		
Accounts payable	10,703	15,198
Accrued expenses	51,631	25,325
Deferred revenue	26,668	15,229
Net cash provided by operating activities	496,616	465,264
Cash flows from investing activities:		
Purchase of property and equipment	(6,492)	(4,241)
(Purchase) sale of investments, net	(118,714)	(95,690)
Net cash used in investing activities	(125,206)	(99,931)
Cash flows from financing activities:		
Payments on finance lease liabilities	(16,523)	(11,864)
Payments on operating lease liabilities	-	(2,508)
Proceeds from obtaining notes payable	-	286,400
Payments on notes payable	(38,972)	(39,037)
Net cash provided by financing activities	(55,495)	232,991
Net increase in cash, cash equivalents, and restricted cash	315,915	598,324
Cash, cash equivalents, and restricted cash, beginning of year	846,050	247,726
Cash, cash equivalents, and restricted cash, end of year	\$ 1,161,965	846,050
Cash, cash equivalents, and restricted cash:		
Cash and cash equivalents - without restrictions	\$ 990,020	736,000
Cash and cash equivalents - designated & with restrictions	171,945	110,050
Total Cash, cash equivalents, and restricted cash:	\$ 1,161,965	846,050
Supplemental disclosure of cash flow information:		
Interest paid	\$ 118,328	123,890
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, 2022 and 2021

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, 2022 and 2021

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Reclassifications – Certain accounts 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.

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, 2022 and 2021

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 2018 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, 2022 and 2021 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.

CENTRAL LINCOLN COUNTY YMCA
Notes to Financial Statements
Years Ended December 31, 2022 and 2021

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:

	<u>2022</u>	<u>2021</u>
Unconditional promises expected to be collected in:		
Less than one year	\$ 23,150	9,941
One year to five years	21,080	3,163
	<u>44,230</u>	<u>13,104</u>
Less:		
Allowance for uncollectible promises to give	-	-
Discount to present value	971	127
	<u>43,259</u>	<u>12,977</u>
Less current portion	23,150	9,941
Total, less current portion	\$ 20,109	3,036

Promises to give receivable in more than one year are discounted at 1.75% at both December 31, 2022 and 2021.

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.

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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, 2022 and 2021 are summarized below:

Level 1 investments without donor restrictions at December 31, 2022 and 2021 are composed of the following:

	2022		
	Fair Value	Cost	Appreciation (Depreciation)
Cash equivalents	\$ -	-	-
Equity	22,506	28,425	(5,919)
Fixed income	-	-	-
Total on Statements of Financial Position	\$ 22,506	28,425	(5,919)
	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

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NOTE 4 – INVESTMENTS AND FAIR VALUE MEASUREMENTS, CONTINUED

Level 1 investments with donor restrictions at December 31, 2022 and 2021 are composed of the following:

2022			
	Fair Value	Cost	Appreciation (Depreciation)
Cash equivalents	\$ 227,138	227,138	-
Equity	1,087,441	1,328,752	(241,311)
Fixed income	68,628	77,873	(9,245)
Total on Statements of Financial Position	\$ 1,383,207	1,633,763	(250,556)

2021			
	Fair Value	Cost	Appreciation (Depreciation)
Cash equivalents	\$ 216,084	216,084	-
Equity	1,228,255	1,168,825	59,430
Fixed income	73,400	73,218	182
Total on Statements of Financial Position	\$ 1,517,739	1,458,127	59,612

Investment advisor fees totaled \$1,461 and \$3,213, for the years ended December 31, 2022 and 2021, respectively.

NOTE 5 – AVAILABILITY AND LIQUIDITY

The following represents the YMCA's financial assets at December 31, 2022:

Cash	\$ 1,161,965
Accounts receivable	47,058
Current portion of promises to give	23,150
Investments	1,405,713
Total financial assets	\$ 2,637,886
Less amounts not available to be used within one year:	
Net assets with donor restrictions	1,945,624
Less: net assets with temporary restrictions to be met in less than a year	173,347
	1,772,277
Financial assets available to meet general expenditures over the next twelve months	\$ 865,609

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

NOTE 6 – LINE OF CREDIT

At December 31, 2022, 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 (7.5% at December 31, 2022), and are unsecured.

CENTRAL LINCOLN COUNTY YMCA
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NOTE 7 – NOTES PAYABLE

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

	2022	2021
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.	\$ 38,008	49,319
 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.	 2,273,713	 2,303,266
	2,311,721	2,352,585
Less: unamortized debt issuance costs	32,169	33,115
Notes payable less unamortized debt issuance costs	2,279,552	2,319,470
Less: current portion	42,784	40,872
 Notes payable, net of current portion	\$ 2,236,768	2,278,598

Maturities of notes payable at December 31, 2022 are as follows:

Years ending December 31:	
2023	\$ 42,784
2024	44,463
2025	46,873
2026	37,926
2027	38,049
Thereafter	2,101,626
	\$ 2,311,721

NOTE 8 – LEASING ACTIVITIES

The YMCA has operating and finance leases of office and fitness equipment. The leases have remaining terms not exceeding one month to under five years. Monthly payments on the leases total to \$1,668 at December 31, 2022.

The following summarizes the weighted average remaining lease term and discount rate as of December 31, 2022 and 2021:

	2022	2021
Weighted Average Remaining Lease Term		
Finance leases	2.3 years	1.0 years
Operating leases	2.1 years	1.3 years
 Weighted Average Discount Rate		
Finance leases	6.60%	3.25%
Operating leases	2.33%	3.25%

See independent auditors' report.

CENTRAL LINCOLN COUNTY YMCA
Notes to Financial Statements
Years Ended December 31, 2022 and 2021

NOTE 8 – LEASING ACTIVITIES, CONTINUED

Maturities of lease liabilities as of December 31, 2022 are as follows:

Years Ending December 31:	Finance	Operating
2023	\$ 6,121	6,804
2024	4,704	6,804
2025	1,176	6,804
2026	-	6,804
2027	-	3,402
Total lease payments	12,001	30,618
Less: interest	744	3,549
Total	\$ 11,257	27,069

The following summarizes the line items in the statements of activities which include the components of lease expense for the year ended December 31, 2022 and 2021:

	2022	2021
Finance lease costs:		
Amortization of lease assets included in management and general expenses	\$ 15,687	11,631
Interest on lease liabilities included in management and general expenses	764	600
Total finance lease costs	\$ 16,451	12,231

NOTE 9 – NET ASSETS

Net assets consisted of the following at December 31:

	2022			
	Without Donor Restrictions	With Donor Restrictions		Total
	Restrictions	Temporary Restrictions	Permanent Restrictions	Net Assets
Endowment funds	\$ 22,506	(80,983)	1,223,511	1,165,034
Unrestricted	476,218	-	-	476,218
Donor designations	-	764,026	39,070	803,096
Property & equipment, net of debt	4,971,938	-	-	4,971,938
Total net assets	\$ 5,470,662	683,043	1,262,581	7,416,286
	2021			
	Without Donor Restrictions	With Donor Restrictions		Total
	Restrictions	Temporary Restrictions	Permanent Restrictions	Net Assets
Endowment funds	\$ 27,666	154,407	1,153,327	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	858,918	1,153,327	7,779,175

See independent auditors' report.

CENTRAL LINCOLN COUNTY YMCA
Notes to Financial Statements
Years Ended December 31, 2022 and 2021

NOTE 9 – NET ASSETS, CONTINUED

The YMCA's Board designated net assets consist of investments and totaled \$22,506 and \$27,666 at December 31, 2022 and 2021, respectively.

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

	2022	2021
Board designated net assets, beginning of year	\$ 27,666	26,556
Additions	-	83
Dividends and interest	314	753
Realized and unrealized gains (losses)	(5,354)	274
Appropriations/expenditures	(120)	-
Total board designated net assets	\$ 22,506	27,666

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

	2022	2021
Subject to expenditure for specified purpose:		
Pool improvements	\$ 590,679	585,005
Childcare expansion project	110,000	60,000
Outreach	15,000	-
Tennis mortgage	1,402	9,456
Afterschool program	-	34,000
Camp	17,904	16,050
Pickleball	25,000	-
Wellness	4,041	-
	764,026	704,511
Promise to give towards endowment	39,070	-
Endowments subject to spending policy and appropriation:		
Donor restricted funds to be maintained in perpetuity	1,223,511	1,153,327
(Underwater endowment) unappropriated income	(80,983)	154,407
	1,142,528	1,307,734
Totals	\$ 1,945,624	2,012,245

Included in the above amounts on December 31, 2022 and 2021 is \$350,000 and \$375,000, 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, 2022 and 2021 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
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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 the donors consist of the following for the years ended December 31:

	2022	2021
Childcare food	\$ -	30,000
Capital improvement pledges fulfilled	-	8,931
FARMS	-	15,000
Outreach	-	7,500
Tennis program	-	6,000
Tennis mortgage	8,054	7,772
Afterschool program	34,000	-
Camp	1,050	950
Totals	\$ 43,104	76,153

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

CENTRAL LINCOLN COUNTY YMCA
Notes to Financial Statements
Years Ended December 31, 2022 and 2021

NOTE 10 – ENDOWMENT COMPOSITION, CONTINUED

Endowment fund balances consisted of the following at December 31:

2022				
		<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total Net Assets</u>
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 gains (losses)		-	(80,983)	(80,983)
Total Endowment Funds	\$	22,506	1,142,528	1,165,034
2021				
		<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total Net Assets</u>
Board-designated endowment funds	\$	27,666	-	27,666
Donor designated endowment funds:				
Amounts required to be maintained in perpetuity		-	1,153,327	1,153,327
Accumulated investment gains (losses)		-	154,407	154,407
Total Endowment Funds	\$	27,666	1,307,734	1,335,400

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, 2022 and 2021 the appropriation percentage totaled 0% to allow the endowment to grow.

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Notes to Financial Statements
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NOTE 10 – ENDOWMENT COMPOSITION, CONTINUED

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

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)	(230,616)	(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
2021				
		Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$	26,556	1,248,911	1,275,467
Net investment return		1,027	58,823	59,850
Contributions/transfers		83	-	83
Appropriation of endowment assets pursuant to spending-rate policy		-	-	-
Endowment net assets, end of year	\$	27,666	1,307,734	1,335,400

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, 2021.

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, 2022 and 2021:

		2022	2021
Program fees	\$	1,044,207	922,200
Less: financial assistance provided		19,057	10,847
Program fees, net		1,025,150	911,353
Membership dues		900,114	690,191
Less: financial assistance provided		137,297	108,906
Membership dues, net	\$	762,817	581,285

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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.

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% and 6% of the employee's gross salary and the employee contributes 5% and 4% for the years ended December 31, 2022 and 2021, respectively. 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, 2022 and 2021 were \$49,414 and \$38,592, 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, 2022 and 2021 were \$38,894 and \$31,448, 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.