

BOOTHBAY REGION YMCA

Financial Statements

Years Ended December 31, 2020 and 2019

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Independent Auditors' Report

To the Board of Trustees of
Boothbay Region YMCA

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Boothbay Region YMCA as of December 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

One River, CPAs

Augusta, Maine
June 11, 2021

BOOTHBAY REGION YMCA
Statements of Financial Position
December 31, 2020 and 2019

	2020			2019		
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total
ASSETS						
Current assets:						
Cash and cash equivalents - without restrictions	\$ 30,623	-	30,623	\$ 133,782	-	133,782
Cash and cash equivalents - designated & with restrictions	-	3,492,347	3,492,347	-	3,436,572	3,436,572
Accounts receivable, net of allowance for uncollectibles	2,325	-	2,325	17,890	-	17,890
Promises to give receivable	47,411	296,117	343,528	16,690	363,636	380,326
Prepaid expenses	32,556	-	32,556	34,209	-	34,209
Inventory	652	-	652	652	-	652
Total current assets	113,567	3,788,464	3,902,031	203,223	3,800,208	4,003,431
Property and equipment:						
Construction in progress	655,669	-	655,669	383,980	-	383,980
Land and land improvements	1,576,277	-	1,576,277	1,576,277	-	1,576,277
Building and improvements	13,028,394	-	13,028,394	12,531,617	-	12,531,617
Equipment	2,428,603	-	2,428,603	2,345,182	-	2,345,182
	17,688,943	-	17,688,943	16,837,056	-	16,837,056
Less: accumulated depreciation	(6,639,700)	-	(6,639,700)	(6,199,646)	-	(6,199,646)
Net property and equipment	11,049,243	-	11,049,243	10,637,410	-	10,637,410
Other assets:						
Promises to give receivable, net of current portion	-	676,429	676,429	-	458,281	458,281
Beneficial interests in perpetual trusts	-	482,317	482,317	-	431,795	431,795
Investments	6,128,430	62,000	6,190,430	5,932,185	62,000	5,994,185
Total other assets	6,128,430	1,220,746	7,349,176	5,932,185	952,076	6,884,261
Total assets	\$ 17,291,240	5,009,210	22,300,450	\$ 16,772,818	4,752,284	21,525,102
LIABILITIES AND NET ASSETS						
Current liabilities:						
Line of credit	\$ -	-	-	\$ 205,232	-	205,232
Accounts payable	19,618	-	19,618	144,173	-	144,173
Accrued expenses	8,767	-	8,767	52,117	-	52,117
Deferred revenue	11,139	-	11,139	27,659	-	27,659
Current portion of long-term debt	68,515	-	68,515	-	-	-
Total current liabilities	108,039	-	108,039	429,181	-	429,181
Long-term debt, net of current portion	1,164,185	-	1,164,185	735,000	-	735,000
Total liabilities	1,272,224	-	1,272,224	1,164,181	-	1,164,181
Net assets:						
Without donor restrictions	16,019,016	-	16,019,016	15,608,637	-	15,608,637
With donor restrictions	-	5,009,210	5,009,210	-	4,752,284	4,752,284
Total net assets	16,019,016	5,009,210	21,028,226	15,608,637	4,752,284	20,360,921
Total liabilities and net assets	\$ 17,291,240	5,009,210	22,300,450	\$ 16,772,818	4,752,284	21,525,102

See accompanying notes to financial statements.

BOOTHBAY REGION YMCA
Statements of Activities
Years Ended December 31, 2019 and 2018

	2020			2019		
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total
Operating activities:						
Revenue and support:						
Program	\$ 382,748	-	382,748	\$ 587,161	-	587,161
Membership dues	549,739	-	549,739	729,069	-	729,069
Facility rentals	21,668	-	21,668	70,630	-	70,630
Sales	2,013	-	2,013	3,395	-	3,395
Donations	659,009	1,164,349	1,823,358	611,213	803,754	1,414,967
Special events	17,563	-	17,563	27,921	-	27,921
Change in beneficial interests in trusts	8,907	-	8,907	9,723	-	9,723
Miscellaneous	220,698	-	220,698	199,712	-	199,712
Interest	137,567	-	137,567	220,146	-	220,146
Total revenue and gains	1,999,912	1,164,349	3,164,261	2,458,970	803,754	3,262,724
Net assets released from restrictions	957,945	(957,945)	-	285,302	(285,302)	-
Total revenues, gains and other support	2,957,857	206,404	3,164,261	2,744,272	518,452	3,262,724
Expenses:						
Wellness	375,638	-	375,638	426,381	-	426,381
Aquatics	705,978	-	705,978	782,420	-	782,420
Camp	345,913	-	345,913	391,182	-	391,182
Child enrichment	347,252	-	347,252	347,852	-	347,852
Other youth programs	420,515	-	420,515	443,821	-	443,821
Management and general	622,842	-	622,842	586,291	-	586,291
Fundraising	297,452	-	297,452	141,419	-	141,419
Total expenses	3,115,590	-	3,115,590	3,119,366	-	3,119,366
Change in net assets from operations	(157,733)	206,404	48,671	(375,094)	518,452	143,358
Non-operating activities:						
Realized and unrealized gains/(losses) on investments	568,112	-	568,112	1,005,021	-	1,005,021
Change in beneficial interests in trusts	-	50,522	50,522	-	67,045	67,045
Total non-operating activities	568,112	50,522	618,634	1,005,021	67,045	1,072,066
Change in net assets	410,379	256,926	667,305	629,927	585,497	1,215,424
Net assets, beginning of year	15,608,637	4,752,284	20,360,921	14,978,710	4,166,787	19,145,497
Net assets, end of year	\$ 16,019,016	5,009,210	21,028,226	\$ 15,608,637	4,752,284	20,360,921

See accompanying notes to financial statements.

BOOTHBAY REGION YMCA
Statement of Functional Expenses
Year Ended December 31, 2020

	Program Services						Supporting Services		Total
	Wellness Programs	Aquatics Programs	Camp Programs	Child Enrichment Services	Other Youth Programs	Total Program Services	Management and General	Fundraising	
Salaries	\$ 118,030	175,978	189,234	239,154	71,947	794,343	356,788	61,368	1,212,499
Payroll taxes and benefits	29,057	58,485	17,658	52,615	19,157	176,972	77,113	14,176	268,261
Supplies	1,095	10,025	9,809	15,603	36,953	73,485	4,666	14,572	92,723
Contractual	10,809	47	10,522	1,795	20,430	43,603	78,481	203,347	325,431
Travel	210	1,719	2,907	673	-	5,509	1,201	11	6,721
Advertising	195	-	336	-	-	531	1,987	132	2,650
Occupancy	43,323	50,136	58,843	24,231	134,782	311,315	-	-	311,315
Membership services	138,698	119,784	12,609	-	44,131	315,222	-	-	315,222
Depreciation	15,489	225,701	22,128	6,638	75,234	345,190	-	-	345,190
Insurance	2,448	35,675	3,498	1,049	11,892	54,562	-	-	54,562
Telephone	-	-	1,809	-	-	1,809	-	-	1,809
Repairs and maintenance	15,110	10,823	11,559	-	-	37,492	-	-	37,492
Postage and printing	-	-	-	-	-	-	3,002	3,012	6,014
Dues & licenses	-	102	704	150	14	970	24,168	834	25,972
Food & beverage	-	396	708	4,841	273	6,218	4,675	-	10,893
Interest	1,174	17,107	1,677	503	5,702	26,163	7,380	-	33,543
Bad debts/provision for uncollectible promises to give	-	-	-	-	-	-	21,986	-	21,986
Miscellaneous	-	-	-	-	-	-	41,395	-	41,395
Vehicle Expenses	-	-	1,912	-	-	1,912	-	-	1,912
Total expenses	\$ 375,638	705,978	345,913	347,252	420,515	2,195,296	622,842	297,452	3,115,590

See accompanying notes to financial statements.

BOOTHBAY REGION YMCA
Statement of Functional Expenses
Year Ended December 31, 2019

	Program Services						Supporting Services		Total
	Wellness Programs	Aquatics Programs	Camp Programs	Enrichment Services	Other Youth Programs	Total Program Services	Management and General	Fundraising	
Salaries	\$ 138,082	233,706	191,656	233,969	78,886	876,299	315,958	65,678	1,257,935
Payroll taxes and benefits	31,055	56,823	19,357	47,512	20,013	174,760	63,032	12,680	250,472
Supplies	5,072	18,819	18,008	13,960	27,565	83,424	8,194	8,978	100,596
Contractual	14,146	276	20,896	2,814	25,952	64,084	74,614	45,780	184,478
Travel	6,019	9,157	7,052	1,799	495	24,522	8,467	2,407	35,396
Advertising	4	-	74	2,733	-	2,811	7,628	3,108	13,547
Occupancy	49,102	56,558	65,733	29,618	152,762	353,773	-	-	353,773
Membership services	150,705	130,154	13,700	-	47,952	342,511	-	-	342,511
Depreciation	14,726	214,575	21,037	6,311	71,525	328,174	-	-	328,174
Insurance	2,130	31,037	3,043	913	10,346	47,469	-	-	47,469
Telephone	549	-	1,133	-	-	1,682	-	-	1,682
Repairs and maintenance	12,486	8,402	25,107	1,307	(400)	46,902	-	-	46,902
Postage and printing	-	110	250	-	79	439	2,638	2,688	5,765
Dues & licenses	-	163	1,055	325	-	1,543	48,848	-	50,391
Food & beverage	751	-	741	5,925	1,099	8,516	1,234	45	9,795
Interest	1,554	22,640	2,220	666	7,547	34,627	9,765	-	44,392
Bad debts/provision for uncollectible promises to give	-	-	-	-	-	-	6,358	-	6,358
Miscellaneous	-	-	120	-	-	120	39,555	55	39,730
Total expenses	\$ 426,381	782,420	391,182	347,852	443,821	2,391,656	586,291	141,419	3,119,366

See accompanying notes to financial statements.

BOOTHBAY REGION YMCA
Statements of Cash Flows
Years Ended December 31, 2020 and 2019

	2020	2019
Cash flows from operating activities:		
Change in net assets	\$ 667,305	1,215,424
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Net realized and unrealized (gains) losses on investments	(568,112)	(1,005,021)
Change in beneficial interests in trusts	(50,522)	(67,045)
Depreciation	442,550	422,735
(Increase) decrease in:		
Accounts receivable	15,565	21,596
Promises to give receivable	(181,350)	(472,678)
Prepaid expenses	1,653	(5,541)
Inventory	-	712
Assets held in remainder trusts	-	149
Increase (decrease) in:		
Accounts payable	(124,555)	78,621
Accrued expenses	(43,350)	3,046
Deferred revenue	(16,520)	(265,622)
Net cash provided by (used in) operating activities	142,664	(73,624)
Cash flows from investing activities:		
Purchase of property and equipment	(854,383)	(420,943)
Net proceeds from sales of investments	371,867	201,675
Net cash used in investing activities	(482,516)	(219,268)
Cash flows from financing activities:		
Proceeds from (payments on) line of credit, net	(205,232)	145,072
Proceeds from assumption of debt	497,700	-
Net cash provided by financing activities	292,468	145,072
Net decrease in cash and cash equivalents	(47,384)	(147,820)
Cash, cash equivalents, and restricted cash, beginning of year	3,570,354	3,718,174
Cash, cash equivalents, and restricted cash, end of year	\$ 3,522,970	3,570,354
Cash, cash equivalents, and restricted cash:		
Cash and cash equivalents - without restrictions	\$ 30,623	133,782
Cash and cash equivalents - designated & with restrictions	3,492,347	3,436,572
Total cash, cash equivalents, and restricted cash:	\$ 3,522,970	3,570,354
Supplemental disclosure of cash flow information:		
Interest paid	\$ 33,544	44,392
Non-cash investing and financing activities:		
Portion of property purchase financed with new debt	-	-

See accompanying notes to financial statements.

BOOTHBAY REGION YMCA
Notes to Financial Statements

NOTE 1 - NATURE OF OPERATIONS

Nature of Activities - Boothbay Region YMCA (the Y) is a nonprofit corporation organized under the general laws of the State of Maine and operated exclusively for charitable purposes. The Y is a membership organization comprised of approximately 3,000 men, women and children of all ages, abilities, incomes, races and religions.

The Y is the largest organization delivering human services in the Boothbay Region; as such, it seeks to promote the spiritual, physical and mental welfare of all people served.

Impact of COVID-19 – The Boothbay Region Y’s operations were significantly impacted by COVID-19 with 2020 membership and program revenues down 25% and 39%, respectively. During this period, the Y has worked to serve the community while adhering to the State of Maine’s COVID-19 mandates and capacity limitations. The Y pivoted its programs and provided food distribution and essential childcare.

Program Services - The Boothbay Region 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: open gym, open swim, group exercise on land and in the water, swim lessons, youth sports, senior social events, music theatre and dance, and martial arts.

Wellness - Our Wellness Department provides a full range of programs to our over 2,700 members of all ages. The YMCA’s Diabetes Prevention Program helps adults at high risk of developing Type 2 diabetes reduce their risk by taking necessary steps to improve their health and well-being. Livestrong at the YMCA is an evidence-based program that helps adult cancer survivors reclaim their health and well-being following a cancer diagnosis. This 12-week program is provided free to our community. The YMCA has focused on childhood obesity by providing a Fit Kids program to teach fun exercise and healthy snack options. We also have a full range of programs from Aero Dancing and Zumba, to more challenging classes like Total Body Challenge, TRX and cardio tennis. Active older adults are provided with many classes such as managing concerns about falling, cooking classes and various field trips. Most of our wellness classes are offered free to members.

Aquatics - Our Aquatics programs play a significant role in this coastal community to ensure children are safe around water. The Y provides free swim lessons to every 2nd grader in the community. The Y’s Child Enrichment program has weekly swim lessons built into its curriculum. Our Dolphin Swim Team provides 41 swimmers a chance to promote teamwork, interaction, and development of social and physical skills. Over \$4,000 in program scholarships and free swim programs were provided to our swimmers. We offer a full range of aquatic therapy and rehabilitation programming for the many seniors that have retired to the area.

Camp - The Y day camp operations seek to provide “memories for a lifetime” for the over 240 children that attend each summer. Through a collaborative effort with our neighboring CLCYMCA, the beautiful Y’s Camp Knickerbocker campus provides a safe and nurturing environment for almost 200 campers a day, ages 5-16. This resource is critical for the working parents of our community. Over \$40,000 and \$37,000 was raised in 2020 and 2019, respectively, to sponsor more than 50 children who would otherwise not be able to experience a summer filled with hiking, swimming, boating, games, and adventure. The Baldwin Adventure Center provides young teens with an alternative challenge. Self-esteem and team building are an essential component of this program. Leaders in Training programs are developmental leadership programs that prepare teens to not only become staff members at

BOOTHBAY REGION YMCA
Notes to Financial Statements, Continued

NOTE 1 - NATURE OF OPERATIONS, CONTINUED

camp but to also become productive members and volunteers in their home communities. The Y provided 2,250 free summer meals, offering nutritious breakfasts and lunches with the help of our collaborative partners at Central Lincoln County YMCA, Healthy Lincoln County, Lincoln Health's Coulombe Center for Health Improvement and the local school systems.

Child Enrichment Services - At the Y's Harbor Montessori School and Child Enrichment Center, we offer a nurturing and inclusive learning environment designed to promote social, emotional, cognitive, physical, and language development. Our traditional Montessori setting fosters creativity, curiosity, and exploration in a child-led classroom. The addition of the Y's natural playground and arts & environmental learning center provides children a natural, creative learning space for outdoor play to promote healthy social, emotional, physical, and cognitive development. The State of Maine contracts with the Y to provide state-subsidized child care slots.

Other Youth Programs - The Y offers a full range of youth sports programming, arts and humanities, and tennis. These programs help develop self-esteem and core values. The youth/teen center is open to all middle and high school students. Through our Annual Fund Campaign, the high school initiative is able to ensure that all high school students receive a free Y membership and have access to the programs and services that the Y offers. Our Y-Arts programs provide a safe and supportive environment for youth and adults to explore their creative side through the performing arts. The Y-Arts for all programming includes singing and dancing for anyone who may have a disability and has expanded our inclusive footprint in the community.

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 Y 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 restrictions. Such net assets are available at the discretion of the Y's management and board of directors for any purpose consistent with the Y'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 Y and/or passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

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

BOOTHBAY REGION YMCA
Notes to Financial Statements, Continued

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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 Y's ongoing program services and interest and dividends earned on investments. Nonoperating activities are limited to resources that generate return from 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 Y 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 Y 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 Y'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 Y 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 Y has multiple revenue streams that are accounted for as reciprocal exchange transactions including membership and program fees and government contract revenues. Because the Y's performance obligations relate to contracts with a duration of less than one year, the Y 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 Y'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.

BOOTHBAY REGION YMCA
Notes to Financial Statements, Continued

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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 Y.

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 Y allocates salaries and benefits based on time and effort, occupancy (including maintenance, depreciation and interest) based on square footage, and member service expenses based on time and effort by membership staff spent on each program.

Advertising - The Y expenses advertising costs as incurred. Advertising costs for the years ended December 31, 2020 and 2019, were approximately \$8,947 and \$19,029, respectively. Certain advertising costs allocated among program and supporting services are included in occupancy and membership services expenses on the statements of functional expenses, in addition to what is presented as direct advertising expenses

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

The Financial Accounting Standards Board (FASB) guidance requires tax effects from uncertain tax positions to be recognized in the financial statements only if the position is more likely than not to be sustained if the position were to be challenged by a taxing authority. Management has determined that there are no material uncertain positions that require recognition in the financial statements. Additionally, no provision for income taxes is reflected in these financial statements. Interest and penalties would be recognized as tax expense; however, there is no interest or penalties recognized in the statements of activities. The tax years after 2017 are still open to audit for federal purposes.

Cash and Cash Equivalents - For purposes of the statements of cash flows, the Y 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 Y 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. In addition, sweep accounts are maintained to provide additional coverage for balances in excess of \$250,000. At December 31, 2020 and 2019, none of the Y's cash balances were uninsured. The Y has not experienced, nor does it anticipate, any losses with respect to such accounts.

BOOTHBAY REGION YMCA
Notes to Financial Statements, Continued

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Accounts Receivable - Accounts receivable consists primarily of receivables from program registrants. An allowance is determined by management based on historical collections, specific participants' circumstances, and economic conditions. Member receivables are written off when management has exhausted collections efforts and deems the accounts uncollectible. The Y does not accrue interest on unpaid accounts receivable.

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

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

Property and Equipment - Property and equipment acquisitions, including those obtained under capital leases, with individual costs in excess of \$1,000 are capitalized. The Y uses the straight-line method to compute depreciation expense and assumes useful lives of five to ten years for equipment and five to thirty years for building and improvements. Depreciation expense for the years ended December 31, 2020 and 2019 was \$442,550 and \$422,735, respectively. A portion of depreciation is included in membership services and allocated to all programs in the statements of functional expenses.

Impairment of Long-lived Assets - The carrying value of the Y'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 Y 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.

Split Interest Agreements with Donors - The Y has various types of split interest agreements with donors. Perpetual trusts are valued based upon the fair value of the assets contributed to the trust which approximates the fair value of the beneficial interest in the trust. The Y is the income beneficiary of several irrevocable trusts invested in perpetuity by donors with local banks who also serve as trustees. Under the terms of the trust agreements, the income earned on the investments is available for use by the Y for general purposes. The Y's beneficial interests in these trusts are restricted in perpetuity as the assets are not available for use. The beneficial interests are reviewed annually and adjusted to market value. The change in value is reported as revenue and support with donor restrictions in the statements of activities.

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

BOOTHBAY REGION YMCA
Notes to Financial Statements, Continued

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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 - Management has evaluated subsequent events through the date of this report, 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. In early 2021, the U.S. Small Business Administration (SBA) Paycheck Protection Program (PPP) loan of \$347,700 received in 2020, as described in Note 7, was forgiven and will be considered income in 2021. The YMCA also received a second draw SBA PPP loan for \$357,700 in January 2021, which it is using for purposes consistent with the PPP. The loan matures in January 2026, and the YMCA intends to again apply for forgiveness after expending the loan on allowable costs during the 24-week period beginning in January 2021. The SBA has six years from the forgiveness date to review and reassess their forgiveness decision.

In January of 2021, the YMCA refinanced the \$735,000 note payable described in Note 7 to an amortizing loan and reduced the principal balance to \$625,000.

NOTE 3 - INVESTMENTS AND FAIR VALUE MEASUREMENTS

The FASB defines fair value as the price that would be received for an asset or paid to transfer a liability (an exit price) in the Y'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 Y 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 Y 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 Y'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.

BOOTHBAY REGION YMCA
Notes to Financial Statements, Continued

NOTE 3 - INVESTMENTS AND FAIR VALUE MEASUREMENTS, CONTINUED

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

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

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

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

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

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

	<u>Market</u>	<u>Cost</u>
Cash equivalents	\$ -	-
Mutual Funds and ETFs	6,067,303	4,838,770
<hr/>		
Totals per investment statements	\$ 6,067,303	
Unrealized gains allocated to unrestricted	61,127	
<hr/>		
<u>Total on Statement of Financial Position</u>	<u>\$ 6,128,430</u>	

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

	<u>Market</u>	<u>Restricted Cost</u>
Cash equivalents	\$ -	-
Mutual Funds	123,127	62,000
<hr/>		
Totals per investment statements	\$ 123,127	
Unrealized gains allocated to unrestricted	(61,127)	
<hr/>		
<u>Total on Statement of Financial Position</u>	<u>\$ 62,000</u>	

BOOTHBAY REGION YMCA
Notes to Financial Statements, Continued

NOTE 3 - INVESTMENTS AND FAIR VALUE MEASUREMENTS, CONTINUED

Level 1 investments without donor restrictions at December 31, 2019 are composed of the following:

	<u>Market</u>	<u>Cost</u>
Cash equivalents	\$ -	-
Mutual Funds and ETFs	5,885,359	5,077,253
<hr/>		
Totals per investment statements	\$ 5,885,359	
Unrealized gains allocated to unrestricted	46,826	
<hr/>		
<u>Total on Statement of Financial Position</u>	<u>\$ 5,932,185</u>	

Level 1 investments with donor restrictions in perpetuity at December 31, 2019 are composed of the following:

	<u>Market</u>	<u>Cost</u>
Cash equivalents	\$ -	-
Mutual Funds	108,826	62,000
<hr/>		
Totals per investment statements	\$ 108,826	
Unrealized gains allocated to unrestricted	(46,826)	
<hr/>		
<u>Total on Statement of Financial Position</u>	<u>\$ 62,000</u>	

NOTE 4 – AVAILABILITY AND LIQUIDITY

The following represents the Y's financial assets at December 31 2020 and 2019

	<u>2020</u>	<u>2019</u>
Financial assets at year-end:		
Cash	\$ 3,522,970	\$ 3,570,354
Accounts receivable	2,325	17,890
Current portion of promises to give	343,528	380,326
<u>Investments</u>	<u>6,190,430</u>	<u>5,994,185</u>
Total financial assets	10,059,253	9,962,755
Less amounts not available to be used within one year:		
Net assets with donor restrictions	5,009,210	4,752,284
Less net assets with temporary restrictions to be met in less than a year	(86,628)	(86,628)
	<u>4,922,582</u>	<u>4,665,656</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 5,136,671</u>	<u>\$ 5,297,099</u>

BOOTHBAY REGION YMCA
Notes to Financial Statements, Continued

NOTE 5 - PROMISES TO GIVE RECEIVABLE

The Y holds fund-raising campaigns to raise funds to pay for the construction and renovation of its facility in Boothbay, Maine, to establish an endowment to fund scholarships to keep fees low, and to support the Camping Program. Promises to give are considered donor-restricted funds with temporary purposes. Expenses are released from restriction as expenses are incurred that relate to the construction and/or renovation of the new facility or to the applicable campaigns.

Promises to give receivable, net of allowance for uncollectible promises and unamortized discount are summarized as follows at December 31:

	<u>2020</u>	<u>2019</u>
Unconditional promises expected to be collected in:		
Less than one year	\$ 343,528	380,326
One year to five years	710,749	476,958
Thereafter	-	-
	1,054,277	857,284
Less:		
Allowance for uncollectible promises to give	-	-
Discount to present value	(34,320)	(18,677)
Totals	1,019,957	838,607
Less current portion	(343,528)	(380,326)
Total, less current portion	\$ 676,429	458,281

Promises to give receivable in more than one year are discounted at 1.75% and 2.25% at December 31, 2020 and 2019, respectively.

Included in pledges receivable are amounts promised by certain members of the Board of Trustees and Senior Management. At December 31, 2020 and 2019, those amounts totaled approximately \$116,224 and \$258,395, respectively.

NOTE 6 - PROPERTY AND EQUIPMENT

Property and equipment consists of the following at December 31:

	<u>2020</u>	<u>2019</u>
Land and improvements	\$ 1,576,277	1,576,277
Buildings and building improvements	13,028,394	12,531,617
Construction in progress	655,669	383,980
Equipment	2,428,603	2,345,182
Total investment in property and equipment	17,688,943	16,837,056
Less: accumulated depreciation	(6,639,700)	(6,199,646)
Net investment in property and equipment	\$ 11,049,243	10,637,410

BOOTHBAY REGION YMCA
Notes to Financial Statements, Continued

NOTE 7 - NOTES PAYABLE

The Y's long-term debt consists of the following at December 31:

	<u>2020</u>	<u>2019</u>
3.25% (variable) note payable for \$735,000 to First National Bank with interest only payments through November, 2023 when the loan is due in full. The loan is secured by property.	\$ 735,000	735,000
Payment Protection Program for \$347,700 to First National Bank, forgivable if spent in accordance with terms. The remainder is subject to 1.0% interest through July, 2023, unsecured.	347,700	-
2.75% (fixed) note payable \$150,000 to the U.S. Small Business Administration with monthly payments of \$641 beginning on June 25, 2021 through June 25, 2050, secured by all assets of the Organization.	150,000	-
	1,232,700	735,000
<u>Less: current portion</u>	68,515	-
<u>Long-term debt</u>	<u>\$ 1,164,185</u>	<u>735,000</u>

Maturities of long-term debt are as follows:

<u>Year Ended</u> <u>December 31</u>	<u>Amount</u>
2021	68,515
2022	179,375
2023	842,034
2024	3,764
2025	3,868
<u>Thereafter</u>	<u>135,144</u>
<u>Total</u>	<u>\$ 1,232,700</u>

NOTE 8 - LINE OF CREDIT

The Y has a line of credit with a local bank which provides borrowings up to \$500,000. Advances are payable on demand including variable interest at the Wall Street Journal Prime Rate, currently 3.25%, and are unsecured. At December 31, 2020 and 2019, the line had a balance of \$0 and \$205,232, respectively.

BOOTHBAY REGION YMCA
Notes to Financial Statements, Continued

NOTE 9 - BOARD DESIGNATED NET ASSETS

The Y's Board designated net assets consist of the following at December 31:

	<u>2020</u>	<u>2019</u>
Investments	\$ 213,148	213,148
Capital Improvements	50,257	60,220
<u>Total Board designated net assets</u>	<u>\$ 263,405</u>	<u>273,368</u>

Changes in Board designated net assets for the year ended December 31, 2020 are as follows:

Board-designated net assets, beginning of year	\$ 273,368	
Additions	258,385	
Appropriations/expenditures	(268,348)	
Other Changes	-	
<u>Changes in Board-designated net assets</u>	<u>(9,963)</u>	
<u>Board-designated net assets, end of year</u>	<u>\$ 263,405</u>	

Changes in Board designated net assets for the year ended December 31, 2019 are as follows:

Board-designated net assets, beginning of year	\$ 265,643	
Additions	273,368	
Appropriations/expenditures	(265,643)	
Other Changes	-	
<u>Changes in Board-designated net assets</u>	<u>7,725</u>	
<u>Board-designated net assets, end of year</u>	<u>\$ 273,368</u>	

NOTE 10 - NET ASSETS WITH TEMPORARY DONOR RESTRICTIONS

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

	<u>2020</u>	<u>2019</u>
Gifts and other unexpended revenues and gains restricted to:		
Diabetes	\$ -	5,311
Food Initiative	69,059	15,584
Literacy	12,000	5,000
Camp and Swim	4,700	-
Capital Improvements	86,628	86,628
Capital Campaign	4,307,296	4,145,841
Memorials	125	125
<u>Totals</u>	<u>\$ 4,479,808</u>	<u>4,258,489</u>

BOOTHBAY REGION YMCA
Notes to Financial Statements, Continued

NOTE 10 - NET ASSETS WITH TEMPORARY DONOR RESTRICTIONS, 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 for years ended December 31, 2020 and 2019 were as follows:

	<u>2020</u>	<u>2019</u>
Capital Improvements	\$ -	-
Memorials	-	700
Capital Campaign	917,009	278,507
Food Initiative	35,625	-
Diabetes	5,311	6,095
Total	\$ 957,945	285,302

NOTE 11 - ENDOWMENT COMPOSITION

Interpretation of Relevant Law - The State of Maine has passed a version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA). The Board of Trustees of the Y 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, Y classifies as net assets with permanent donor 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 donor restrictions is classified as net assets with permanent donor restrictions until those amounts are appropriated for expenditure by the Y in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Y considers the following factors in making a determination 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

BOOTHBAY REGION YMCA
Notes to Financial Statements, Continued

NOTE 11 - ENDOWMENT COMPOSITION, CONTINUED

As of December 31, 2020:

	<u>Without</u>	<u>With Temp.</u>	<u>With Perm.</u>	<u>Total</u>
	<u>Restrictions</u>	<u>Restrictions</u>	<u>Restrictions</u>	
Donor Designated Endowment Funds	\$ -	-	62,000	62,000
Beneficial interest in perpetual trust			482,317	482,317
Other Endowment Funds				
Undesignated	-	-	-	-
Donor Advised	-	-	-	-
Designated	-	-	-	-
<u>Subtotal Other Endowment Funds</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Total Endowment Funds</u>	<u>\$ -</u>	<u>-</u>	<u>544,317</u>	<u>544,317</u>

As of December 31, 2019:

	<u>Without</u>	<u>With Temp.</u>	<u>With Perm.</u>	<u>Total</u>
	<u>Restrictions</u>	<u>Restrictions</u>	<u>Restrictions</u>	
Donor Designated Endowment Funds	\$ -	-	62,000	62,000
Beneficial interest in perpetual trust			431,795	431,795
Other Endowment Funds				
Undesignated	-	-	-	-
Donor Advised	-	-	-	-
Designated	-	-	-	-
<u>Subtotal Other Endowment Funds</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Total Endowment Funds</u>	<u>\$ -</u>	<u>-</u>	<u>493,795</u>	<u>493,795</u>

Return Objectives and Risk Parameters - The Y has adopted investment and spending policies for assets that attempt to provide a predictable stream of funding to 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 Y must hold in perpetuity or for a donor-specified period.

Investment Objective - Strategies Employed for Achieving Objectives: The Y 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.

BOOTHBAY REGION YMCA
Notes to Financial Statements, Continued

NOTE 11 - ENDOWMENT COMPOSITION, CONTINUED

Spending Policy and How the Investment Objectives Relate to Spending Policy - The Y's current investment spending policy for appropriating distributions is calculated on a percentage of its endowment fund value based on a two-year rolling average. This percentage is determined by the Board of Trustees on an annual basis. For the years ended December 31, 2020 and 2019, the appropriation percentage totaled 5%.

Funds with Deficiencies - From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or UPMIFA requires the Y to retain as a fund of perpetual duration. Deficiencies of this nature that are in excess of related donor-restricted amounts with temporary restrictions are reported in net assets without donor restrictions. There were no such amounts as of December 31, 2020 and 2019.

NOTE 12 - NET ASSET COMPOSITION

As of December 31, 2020:

	<u>Without</u> <u>Restrictions</u>	With Temp. <u>Restrictions</u>	With Perm. <u>Restrictions</u>	<u>Total</u>
Endowment Funds	\$ -	-	62,000	62,000
Beneficial Interests	-	-	482,317	482,317
Capital improvements	-	86,628	-	86,628
Memorials	-	125	-	125
Literacy	-	12,000	-	12,000
Food Initiative	-	69,059	-	69,059
Capital campaign	-	4,297,081	-	4,297,081
Board-designated endowment	213,148	-	-	213,148
Board designated Capital Fund	50,257	-	-	50,257
Without donor restrictions	5,441,368	-	-	5,441,368
Held in property & equipment	10,314,243	-	-	10,314,243
Total Net Assets	\$ 16,019,016	4,464,893	544,317	21,028,226

BOOTHBAY REGION YMCA
Notes to Financial Statements, Continued

NOTE 12 - NET ASSET COMPOSITION, CONTINUED

As of December 31, 2019:

	<u>Without</u> <u>Restrictions</u>	<u>With Temp.</u> <u>Restrictions</u>	<u>With Perm.</u> <u>Restrictions</u>	<u>Total</u>
Endowment Funds	\$ -	-	62,000	62,000
Beneficial Interests	-	-	431,795	431,795
Capital improvements	-	86,628	-	86,628
Diabetes	-	5,311	-	5,311
Memorials	-	125	-	125
Literacy	-	5,000	-	5,000
Food Initiative	-	15,584	-	15,584
Capital campaign	-	4,145,841	-	4,145,841
Board-designated endowment	213,148	-	-	213,148
Board designated Capital Fund	60,220	-	-	60,220
Without donor restrictions	5,238,313	-	-	5,238,313
Held in property & equipment	9,902,409	-	-	9,902,409
Total Net Assets	\$ 15,414,090	4,258,489	493,795	20,360,921

NOTE 13 - SPECIAL EVENTS

As part of its fundraising efforts, the Y holds periodic special events. Revenue for special events is recognized in the period in which the event is held. Direct expenses associated with special events are netted against such revenue as follows:

	<u>2020</u>	<u>2019</u>
Special event revenue	\$ 19,540	107,740
Special event direct expenses	(11,365)	(79,819)
Special event revenue, net	\$ 8,175	27,921

NOTE 14 - FINANCIAL ASSISTANCE PROVIDED

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

	<u>2020</u>	<u>2019</u>
Membership dues	\$ 617,739	810,353
Less financial assistance provided	(67,699)	(81,285)
Membership dues, net	\$ 549,739	729,068
Program fees	\$ 397,745	612,902
Less financial assistance provided	(16,692)	(25,740)
Program fees, net	\$ 381,053	587,162

BOOTHBAY REGION YMCA
Notes to Financial Statements, Continued

NOTE 15 - DEFINED CONTRIBUTION PLANS

The Y 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 Y. The Y 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 full years of employment. Participation is mandatory for all eligible employees. Total plan costs for the years ended December 31, 2020 and 2019 were \$56,263 and \$46,212 respectively.

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

NOTE 16 - RELATED PARTIES

The Y pays dues to YMCA of the USA. Dues paid to YMCA of the USA for the years 2020 and 2019, were \$19,182 and \$44,285, respectively.