



**BOOTHBAY REGION YMCA**

**Financial Statements**

**Years Ended December 31, 2022 and 2021**

**BOOTHBAY REGION YMCA**  
**Financial Statements**  
**Years Ended December 31, 2022 and 2021**

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## Independent Auditors' Report

To the Board of Trustees of  
Boothbay Region YMCA

### Opinion

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, 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 Boothbay Region 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 Boothbay Region 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 Boothbay Region 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.

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 Boothbay Region 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 Boothbay Region 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  
May 19, 2023

**BOOTHBAY REGION 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
<b>ASSETS</b>						
Current assets:						
Cash and cash equivalents - without restrictions	\$ 839,819	-	839,819	\$ 784,353	-	784,353
Cash and cash equivalents - designated & with restrictions	-	325,336	325,336	-	3,705,921	3,705,921
Accounts receivable, net of allowance	10,911	-	10,911	263,019	-	263,019
Promises to give receivable	50,370	609,863	660,233	32,627	658,187	690,814
Prepaid expenses	96,349	-	96,349	56,532	-	56,532
Inventory	573	-	573	826	-	826
Total current assets	998,022	935,199	1,933,221	1,137,357	4,364,108	5,501,465
Property and equipment:						
Construction in progress	406,474	-	406,474	1,148,001	-	1,148,001
Land and land improvements	2,834,511	-	2,834,511	1,576,277	-	1,576,277
Building and improvements	18,944,539	-	18,944,539	13,746,858	-	13,746,858
Equipment	749,261	-	749,261	1,860,912	-	1,860,912
	22,934,785	-	22,934,785	18,332,048	-	18,332,048
Less: accumulated depreciation	(6,438,586)	-	(6,438,586)	(7,072,689)	-	(7,072,689)
Net property and equipment	16,496,199	-	16,496,199	11,259,359	-	11,259,359
Other assets:						
Right of use assets - finance lease	38,085	-	38,085	14,825	-	14,825
Right of use assets - operating lease	30,547	-	30,547	9,211	-	9,211
Promises to give receivable, net of current portion	57,855	515,111	572,966	48,926	1,002,256	1,051,182
Beneficial interests in perpetual trusts	-	434,736	434,736	-	557,339	557,339
Investments	5,534,740	126,307	5,661,047	7,073,027	146,532	7,219,559
Total other assets	5,661,227	1,076,154	6,737,381	7,145,989	1,706,127	8,852,116
<b>Total assets</b>	<b>\$ 23,155,448</b>	<b>2,011,353</b>	<b>25,166,801</b>	<b>\$ 19,542,705</b>	<b>6,070,235</b>	<b>25,612,940</b>
<b>LIABILITIES AND NET ASSETS</b>						
Current liabilities:						
Accounts payable	\$ 56,343	-	56,343	\$ 199,700	-	199,700
Accrued expenses	89,486	-	89,486	29,671	-	29,671
Deferred revenue	102,084	-	102,084	48,683	-	48,683
Current portion of lease liabilities - finance lease	8,677	-	8,677	9,219	-	9,219
Current portion of lease liabilities - operating lease	6,707	-	6,707	6,107	-	6,107
Current portion of notes payable	1,283,689	-	1,283,689	27,045	-	27,045
Total current liabilities	1,546,986	-	1,546,986	320,425	-	320,425
Long-term liabilities:						
Lease liabilities - finance lease, net of current portion	29,412	-	29,412	5,606	-	5,606
Lease liabilities - operating lease, net of current portion	23,840	-	23,840	3,104	-	3,104
Notes payable, net of current portion	849,375	-	849,375	877,207	-	877,207
Total long-term liabilities	902,627	-	902,627	885,917	-	885,917
<b>Total liabilities</b>	<b>2,449,613</b>	<b>-</b>	<b>2,449,613</b>	<b>1,206,342</b>	<b>-</b>	<b>1,206,342</b>
Net assets:						
Without donor restrictions	20,705,835	-	20,705,835	18,336,363	-	18,336,363
With donor restrictions	-	2,011,353	2,011,353	-	6,070,235	6,070,235
Total net assets	20,705,835	2,011,353	22,717,188	18,336,363	6,070,235	24,406,598
<b>Total liabilities and net assets</b>	<b>\$ 23,155,448</b>	<b>2,011,353</b>	<b>25,166,801</b>	<b>\$ 19,542,705</b>	<b>6,070,235</b>	<b>25,612,940</b>

*See accompanying notes to financial statements.*

**BOOTHBAY REGION 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 fees	\$ 596,099	-	596,099	\$ 549,965	-	549,965
Membership dues	693,233	-	693,233	618,459	-	618,459
Facility rentals	40,372	-	40,372	48,589	-	48,589
Sales, net	2,223	-	2,223	1,729	-	1,729
Donations and grants	861,752	986,945	1,848,697	2,125,085	1,974,291	4,099,376
Special events	22,301	-	22,301	27,205	-	27,205
Miscellaneous	214,795	-	214,795	219,734	-	219,734
Interest and dividends	202,158	11,994	214,152	103,760	39,926	143,686
Total revenue and gains	2,632,933	998,939	3,631,872	3,694,526	2,014,217	5,708,743
Net assets released from restrictions	4,911,282	(4,911,282)	-	760,489	(760,489)	-
Net asset reclassifications	-	-	-	(40,046)	40,046	-
Total revenues, gains and other support	7,544,215	(3,912,343)	3,631,872	4,414,969	1,293,774	5,708,743
Expenses:						
Program services:						
Wellness	333,711	-	333,711	323,990	-	323,990
Aquatics	713,933	-	713,933	676,187	-	676,187
Camp	574,449	-	574,449	508,925	-	508,925
Child enrichment	349,725	-	349,725	320,564	-	320,564
Other youth programs	593,110	-	593,110	499,274	-	499,274
Total program services	2,564,928	-	2,564,928	2,328,940	-	2,328,940
Supporting services:						
Management and general	699,695	-	699,695	623,104	-	623,104
Fundraising	236,759	-	236,759	224,706	-	224,706
Total supporting services	936,454	-	936,454	847,810	-	847,810
Total expenses	3,501,382	-	3,501,382	3,176,750	-	3,176,750
Change in net assets from operations	4,042,833	(3,912,343)	130,490	1,238,219	1,293,774	2,531,993
Non-operating activities:						
Losses on disposal of property and equipment	(228,709)	-	(228,709)	-	-	-
Realized and unrealized (losses) gains on investments	(1,444,652)	(23,936)	(1,468,588)	868,619	21,081	889,700
Change in beneficial interests in trusts	-	(122,603)	(122,603)	-	75,022	75,022
Total non-operating activities	(1,673,361)	(146,539)	(1,819,900)	868,619	96,103	964,722
Change in net assets	2,369,472	(4,058,882)	(1,689,410)	2,106,838	1,389,877	3,496,715
Net assets, beginning of year	18,336,363	6,070,235	24,406,598	16,229,525	4,680,358	20,909,883
Net assets, end of year	\$ 20,705,835	2,011,353	22,717,188	\$ 18,336,363	6,070,235	24,406,598

*See accompanying notes to financial statements.*

**BOOTHBAY REGION YMCA**  
**Statement of Functional Expenses**  
**Year Ended December 31, 2022**

	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	\$ 118,809	187,102	300,455	249,980	232,151	1,088,497	389,148	94,826	1,572,471
Payroll taxes and benefits	21,682	38,351	50,187	50,904	52,772	213,896	98,984	29,329	342,209
Supplies	6,434	10,820	28,137	5,087	30,502	80,980	3,368	14,063	98,411
Contractual	21,350	4,676	20,362	4,169	24,153	74,710	89,338	76,295	240,343
Travel	1,602	7,299	6,374	213	15,822	31,310	883	27	32,220
Advertising	858	498	120	23	371	1,870	1,792	135	3,797
Occupancy	47,135	47,154	59,982	18,537	59,538	232,346	-	-	232,346
Depreciation	64,413	290,099	28,737	7,331	98,133	488,713	10,054	-	498,767
Insurance	12,407	55,881	5,536	1,412	18,902	94,138	-	-	94,138
Telephone	12,071	11,437	10,675	1,361	15,249	50,793	-	-	50,793
Repairs and maintenance	17,600	38,447	43,713	3,174	18,856	121,790	365	8,129	130,284
Postage and printing	91	79	8	-	29	207	2,388	3,878	6,473
Dues & licenses	109	250	1,563	162	769	2,853	34,736	6,585	44,174
Food & beverage	2,304	2,245	2,525	4,412	14,018	25,504	959	2,572	29,035
Interest	3,688	16,609	1,645	420	5,618	27,980	-	-	27,980
Bad debts/provision for uncollectible promises to give	-	-	-	-	-	-	9,154	-	9,154
Miscellaneous	76	67	155	2,192	2,334	4,824	58,526	920	64,270
Vehicle expenses	3,082	2,919	14,275	348	3,893	24,517	-	-	24,517
<b>Total expenses</b>	<b>\$ 333,711</b>	<b>713,933</b>	<b>574,449</b>	<b>349,725</b>	<b>593,110</b>	<b>2,564,928</b>	<b>699,695</b>	<b>236,759</b>	<b>3,501,382</b>

*See accompanying notes to financial statements.*

**BOOTHBAY REGION YMCA**  
**Statement of Functional Expenses**  
**Year Ended December 31, 2021**

	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	\$ 122,260	205,587	293,148	225,567	178,888	1,025,450	355,957	110,451	1,491,858
Payroll taxes and benefits	27,800	51,903	40,507	48,596	48,202	217,008	84,689	25,150	326,847
Supplies	5,241	3,561	32,640	12,079	49,629	103,150	4,764	12,329	120,243
Contractual	18,400	4,407	11,767	2,488	27,679	64,741	70,694	54,730	190,165
Travel	-	3,181	4,228	192	61	7,662	615	1,191	9,468
Advertising	1,338	1,216	322	339	769	3,984	418	927	5,329
Occupancy	40,804	40,656	50,052	13,400	51,540	196,452	-	-	196,452
Depreciation	57,751	260,103	25,765	6,573	87,986	438,178	-	-	438,178
Insurance	11,528	51,920	5,143	1,312	17,563	87,466	-	-	87,466
Telephone	8,944	8,474	8,476	1,009	11,298	38,201	-	-	38,201
Repairs and maintenance	24,445	25,240	26,941	1,368	11,675	89,669	150	-	89,819
Postage and printing	-	-	-	-	-	-	706	4,990	5,696
Dues & licenses	110	631	1,670	362	139	2,912	33,755	9,987	46,654
Food & beverage	1,226	1,440	1,926	6,323	4,934	15,849	1,715	4,034	21,598
Interest	1,024	14,915	1,462	439	4,972	22,812	6,433	-	29,245
Bad debts/provision for uncollectible promises to give	-	-	-	-	-	-	7,832	-	7,832
Miscellaneous	-	-	252	165	-	417	55,376	917	56,710
Vehicle expenses	3,119	2,953	4,626	352	3,939	14,989	-	-	14,989
<b>Total expenses</b>	<b>\$ 323,990</b>	<b>676,187</b>	<b>508,925</b>	<b>320,564</b>	<b>499,274</b>	<b>2,328,940</b>	<b>623,104</b>	<b>224,706</b>	<b>3,176,750</b>

*See accompanying notes to financial statements.*



**BOOTHBAY REGION YMCA**  
**Statements of Cash Flows**  
**Years Ended December 31, 2022 and 2021**

	2022	2021
Cash flows from operating activities:		
Change in net assets	\$ (1,689,410)	3,496,715
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Net realized and unrealized losses (gains) on investments	1,468,588	(889,700)
Change in beneficial interests in trusts	122,603	(75,022)
Forgiveness of PPP loans	-	(705,400)
Losses on disposal of property and equipment	228,709	-
Depreciation	498,767	438,178
(Increase) decrease in:		
Accounts receivable	252,108	(260,694)
Promises to give receivable	508,797	(722,039)
Prepaid expenses	(39,817)	(23,976)
Inventory	253	(174)
Increase (decrease) in:		
Accounts payable	(143,357)	194,641
Accrued expenses	59,815	20,904
Deferred revenue	53,401	22,985
Funds held for others	-	(95,845)
Net cash provided by operating activities	1,320,457	1,400,573
Cash flows from investing activities:		
Purchase of property and equipment	(4,701,392)	(656,216)
Proceeds from sales of (purchase of) investments, net	89,924	(151,049)
Net cash used in investing activities	(4,611,468)	(807,265)
Cash flows from financing activities:		
Payments on finance lease liabilities	(10,801)	(8,679)
Payments on operating lease liabilities	-	(5,897)
Payments on notes payable	(23,307)	(130,748)
Proceeds from assumption of notes payable	-	507,700
Net cash (used in) provided by financing activities	(34,108)	362,376
Net (decrease) increase in cash and cash equivalents	(3,325,119)	967,304
Cash, cash equivalents, and restricted cash, beginning of year	4,490,274	3,522,970
<b>Cash, cash equivalents, and restricted cash, end of year</b>	<b>\$ 1,165,155</b>	<b>4,490,274</b>
<b>Cash, cash equivalents, and restricted cash:</b>		
Cash and cash equivalents - without restrictions	\$ 839,819	784,353
Cash and cash equivalents - designated & with restrictions	325,336	3,705,921
<b>Total cash, cash equivalents, and restricted cash:</b>	<b>\$ 1,165,155</b>	<b>4,490,274</b>
Supplemental disclosure of cash flow information:		
Interest paid	\$ 27,980	29,245
Non-cash investing and financing activities:		
Additions of right of use assets and lease obligations	\$ 56,405	-
Property and equipment financed with debt	\$ 1,252,119	-
Forgiveness of PPP loans	\$ -	705,400

*See accompanying notes to financial statements.*

**BOOTHBAY REGION YMCA**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**

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**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 2,500 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 is a catalyst for transformative good in our community by connecting people to their potential and purpose. With a focus on Youth Development, Healthy Living, and Social Responsibility, the Y seeks to strengthen the foundations of its community.

**Impact of COVID-19** – The Boothbay Region Y's operations recovered to near-pre pandemic levels, with total membership and program revenues up 12% and 8%, respectively, from 2021 revenues, and up 26% and 56% respectively from 2020. During 2022 the Y increased its membership and expanded its childcare programming. The Y continues to pivot its programs and provide essential childcare and youth activities.

**Program Services** - The Boothbay Region YMCA is a membership association of all individuals, of all genders, ages, abilities, incomes, races and religions. The Y offers numerous programs to serve all ages such as: open gym, open swim, group exercise on land and in the water, swim lessons, youth & adult sports, senior social events, music theatre and dance, and martial arts.

Wellness - The Wellness Department provides a full range of programs to our approximately 2,800 participants of all ages. The Y'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. The Y's Rock Steady program supports individuals with Parkinson's. Livestrong at the Y 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 Y has focused on ending childhood obesity by providing a Fit Kids program to teach fun exercise and healthy snack options. They also have a full range of programs from Aerobics for All 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 – The Aquatics programs play a significant role in the 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. We offer a full range of aquatic therapy and rehabilitation programming for the many seniors that have retired to the area.

Camp - The Y's day camp operations seek to provide "memories for a lifetime" for the over 500 children that attend each summer. Through a collaborative effort with a neighboring YMCA, the beautiful Y's Camp Knickerbocker campus provides a safe and nurturing environment for over 500 campers, ages 5-16. This resource is critical for the working parents of the community. Over \$62,000 and \$72,000 was raised in 2022 and 2021, 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 camp but to also become productive members and volunteers in their home communities. The Y continues to provide thousands of 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.

**BOOTHBAY REGION YMCA**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**

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**NOTE 1 – NATURE OF OPERATIONS, CONTINUED**

Child Enrichment Services - The Y's Harbor Montessori School and Child Enrichment Center offers a nurturing and inclusive learning environment designed to promote social, emotional, cognitive, physical, and language development. The Y's 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. Youth/teens (6<sup>th</sup> grade-12<sup>th</sup> grade) use the Y afterschool for socialization, healthy snack, and an opportunity to stay physically fit. Through the 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. The Y-Arts program provides 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 the Y's 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.

**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 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.

**BOOTHBAY REGION YMCA**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

**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.

**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. 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.

**BOOTHBAY REGION YMCA**  
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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

**Income Taxes, Continued** - 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 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, 2022 and 2021, 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.

**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 with individual costs in excess of \$5,000 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. 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.

**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.

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*See independent auditors' report.*

**BOOTHBAY REGION YMCA**  
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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

**Funds Held for Others** – Funds held for others represent donations made for the Town of Boothbay for sidewalk improvements near the Y. The Y submitted these funds to the Town of Boothbay in 2021.

**Reclassifications** – Certain amounts in the 2021 financial statements have been reclassified to conform to the 2022 presentation. There was no effect on the 2021 change in net assets as a result of such reclassifications.

**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.

**NOTE 3 – PROMISES TO GIVE RECEIVABLE**

The Y holds fundraising campaigns to raise funds to pay for the construction and renovation of its main facility and childcare facility in Boothbay Harbor, Maine and its Camp 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>2022</u>	<u>2021</u>
Unconditional promises expected to be collected in:		
Less than one year	\$ 660,233	690,814
One year to five years	597,098	1,101,940
Thereafter	-	3,000
	<u>1,257,331</u>	<u>1,795,754</u>
Less:		
Allowance for uncollectible promises to give	-	-
Discount to present value	24,132	53,758
	<u>1,233,199</u>	<u>1,741,996</u>
Less current portion	660,233	690,814
<b>Total, less current portion</b>	<b>\$ 572,966</b>	<b>1,051,182</b>

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

Included in pledges receivable are amounts promised by certain members of the Board of Trustees and Senior Management. At December 31, 2022 and 2021, those amounts totaled approximately \$226,108 and \$405,782, respectively.

Conditional promises to give at December 31, 2022 and 2021, consist of \$2,000,000 and \$100,000. These conditional promises to give are not reflected in the statement of financial position as they have matching fundraising requirements that have not been reached by the Y as of each year-end.

**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 Y's principal or most advantageous market in an orderly transaction between market participants on the measurement date.

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**NOTE 4 – INVESTMENTS AND FAIR VALUE MEASUREMENTS, CONTINUED**

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.

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).

*Mutual Funds and Exchange-Traded Funds (ETFs):* Consist of mutual funds which are invested in fixed-income and 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).

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		
	Market	Cost
Cash equivalents	\$ 397,266	397,266
Mutual funds and ETFs	5,137,474	4,797,627
<b>Total</b>	<b>\$ 5,534,740</b>	<b>5,194,893</b>

  

2021		
	Market	Cost
Cash equivalents	\$ -	-
Mutual funds and ETFs	7,073,027	5,289,453
<b>Total</b>	<b>\$ 7,073,027</b>	<b>5,289,453</b>

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*See independent auditors' report.*

**BOOTHBAY REGION YMCA**  
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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		
	Market	Cost
Cash equivalents	\$ 2,661	2,661
Mutual funds and ETFs	123,646	116,230
<b>Total</b>	<b>\$ 126,307</b>	<b>118,891</b>

  

2021		
	Market	Cost
Cash equivalents	\$ -	-
Mutual funds and ETFs	146,532	102,069
<b>Total</b>	<b>\$ 146,532</b>	<b>102,069</b>

**NOTE 5 – AVAILABILITY AND LIQUIDITY**

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

	2022
Cash	\$ 1,165,155
Accounts receivable	10,911
Current portion of promises to give	660,233
Investments	5,661,047
<b>Total financial assets</b>	<b>\$ 7,497,346</b>
Less amounts not available to be used within one year:	
Net assets with donor restrictions	2,011,353
Less: perpetual trust anticipated distribution	25,000
Less: net assets with temporary restrictions to be met in less than a year	9,324
	1,977,029
<b>Financial assets available to meet general expenditures over the next twelve months</b>	<b>\$ 5,520,317</b>

**NOTE 6 – 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 (7.5% at December 31, 2022), and are unsecured. At December 31, 2022 and 2021, the line of credit had balances of \$0.



**BOOTHBAY REGION YMCA**  
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**NOTE 7 – NOTES PAYABLE**

The Y's notes payable consists of the following at December 31:

	<u>2022</u>	<u>2021</u>
Note payable to The First National Bank due on demand with monthly interest only payments at 5.00% and annual principal payments of \$390,000 starting in September 2023, through September 2026, and final balance due September 2027.	\$ 1,252,119	-
Note payable to Bangor Savings Bank, due in monthly installments of \$3,537, including interest at 3.18%, through January 2041. The note is secured by real estate.	580,945	604,252
Note payable to U.S. Small Business Administration pursuant to the Economic Injury Disaster Loan program, due in monthly installments of \$1,332 started in July 2022, including interest at 2.75% through June 2050. The note is secured by all assets of the Y.	300,000	300,000
	2,133,064	904,252
Less: current portion	1,283,689	27,045
<b>Notes payable, net of current portion</b>	<b>\$ 849,375</b>	<b>877,207</b>

Maturities of long-term debt are as follows:

Years ending December 31:		
2023	\$	1,283,689
2024		32,517
2025		33,594
2026		34,654
2027		35,751
Thereafter		712,859
	<b>\$</b>	<b>2,133,064</b>

**NOTE 8 – LEASING ACTIVITIES**

The Y has operating and financing leases of office and fitness equipment. The leases have remaining terms of less than a year to under five years. Monthly payments on the leases total to \$2,347 at December 31, 2022.

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**BOOTHBAY REGION YMCA**  
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**NOTE 8 – LEASING ACTIVITIES, CONTINUED**

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

	<u>2022</u>	<u>2021</u>
<b>Weighted Average Remaining Lease Term</b>		
Finance leases	3.5 years	1.6 years
Operating leases	4.2 years	1.3 years
<b>Weighted Average Discount Rate</b>		
Finance leases	8.19%	5.65%
Operating leases	5.53%	3.25%

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

Years Ending December 31:	<u>Finance</u>	<u>Operating</u>
2023	\$ 10,912	8,226
2024	10,164	8,226
2025	10,164	8,226
2026	10,164	8,226
2027	3,388	1,371
Total lease payments	44,792	34,275
Less: interest	6,703	3,728
<b>Present value of lease liabilities</b>	<b>\$ 38,089</b>	<b>30,547</b>

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:

	<u>2022</u>	<u>2021</u>
<b>Operating lease expense included in management and general expenses</b>	<b>\$ 10,800</b>	<b>6,300</b>
Finance lease costs:		
Amortization of lease assets included in management and general expenses	\$ 10,054	9,333
Interest on lease liabilities included in management and general expenses	673	1,061
<b>Total finance lease costs</b>	<b>\$ 10,727</b>	<b>10,394</b>

The operating cash outflows from finance leases consisted of \$673 and \$1,101 for the years ended December 31, 2022 and 2021.

As of December 31, 2022, the Y had an additional finance lease for fitness equipment that had not yet commenced of \$27,668. This lease will commence in 2023 with a lease term of four years.

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**BOOTHBAY REGION YMCA**  
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**NOTE 9 – NET ASSETS**

Net assets consisted of the following at December 31:

2022				
	Without Donor Restrictions	With Donor Restrictions		Total Net Assets
		Temporary Restrictions	Permanent Restrictions	
Endowment funds	\$ -	64,307	62,000	126,307
Beneficial interest in perpetual trusts	-	-	434,736	434,736
Unrestricted	5,696,257	-	-	5,696,257
Unrestricted - board designated	346,447	-	-	346,447
Donor designations	-	1,450,310	-	1,450,310
Property & equipment, net of debt	14,663,131	-	-	14,663,131
<b>Total net assets</b>	<b>\$ 20,705,835</b>	<b>1,514,617</b>	<b>496,736</b>	<b>22,717,188</b>

2021				
	Without Donor Restrictions	With Donor Restrictions		Total Net Assets
		Temporary Restrictions	Permanent Restrictions	
Endowment funds	\$ -	84,532	62,000	146,532
Beneficial interest in perpetual trusts	-	-	557,339	557,339
Unrestricted	7,246,177	-	-	7,246,177
Unrestricted - board designated	435,079	-	-	435,079
Donor designations	-	5,366,364	-	5,366,364
Property & equipment, net of debt	10,655,107	-	-	10,655,107
<b>Total net assets</b>	<b>\$ 18,336,363</b>	<b>5,450,896</b>	<b>619,339</b>	<b>24,406,598</b>

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

	2022	2021
Use in future years	\$ 240,000	294,815
Approved addition to capital improvements fund	60,000	60,000
Capital improvements fund	46,447	80,264
<b>Total board designated net assets</b>	<b>\$ 346,447</b>	<b>435,079</b>

Changes in Board designated net assets consist of the following for the years ended December 31:

	2022	2021
Board designated net assets, beginning of year	\$ 435,079	377,857
Additions	300,688	354,822
Appropriations/expenditures	(389,320)	(297,600)
<b>Total board designated net assets</b>	<b>\$ 346,447</b>	<b>435,079</b>

*See independent auditors' report.*

**BOOTHBAY REGION YMCA**  
**Notes to Financial Statements**  
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**NOTE 9 – NET ASSETS, CONTINUED**

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

	<u>2022</u>	<u>2021</u>
Subject to expenditure for specified purpose:		
Food initiative	\$ -	40,695
Literacy	-	7,000
Other specific programs	9,324	-
Capital improvements	-	24,163
Capital campaign	1,440,986	5,292,806
Swim lessons	-	1,700
	<u>1,450,310</u>	<u>5,366,364</u>
Endowments subject to spending policy and appropriation:		
Donor-restricted funds to be maintained in perpetuity	62,000	62,000
Unappropriated income	64,307	84,532
	<u>126,307</u>	<u>146,532</u>
Not subject to spending policy or appropriation	434,736	557,339
<b>Totals</b>	<b>\$ 2,011,353</b>	<b>6,070,235</b>

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

	<u>2022</u>	<u>2021</u>
Capital campaign	\$ 4,837,724	707,393
Capital improvements	24,163	-
Food initiative	40,695	48,096
Literacy	7,000	5,000
Swim lessons	1,700	-
<b>Totals</b>	<b>\$ 4,911,282</b>	<b>760,489</b>

**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 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.

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*See independent auditors' report.*

**BOOTHBAY REGION YMCA**  
**Notes to Financial Statements**  
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**NOTE 10 – ENDOWMENT COMPOSITION, CONTINUED**

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 temporary 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

Endowment fund balances as consisted of the following at December 31:

2022			
	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	\$ -	-	-
Donor designated endowment funds:			
Amounts required to be maintained in perpetuity	-	62,000	62,000
Accumulated investment gains	-	64,307	64,307
<b>Total endowment funds</b>	<b>\$ -</b>	<b>126,307</b>	<b>126,307</b>

  

2021			
	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	\$ -	-	-
Donor designated endowment funds:			
Amounts required to be maintained in perpetuity	-	62,000	62,000
Accumulated investment gains	-	84,532	84,532
<b>Total endowment funds</b>	<b>\$ -</b>	<b>146,532</b>	<b>146,532</b>

**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.

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**BOOTHBAY REGION YMCA**  
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**NOTE 10 – ENDOWMENT COMPOSITION, CONTINUED**

**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.

**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, 2022 and 2021, the appropriation percentage totaled 0%.

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	\$ -	146,532	146,532
Net investment loss	-	(20,225)	(20,225)
Contributions/transfers	-	-	-
Appropriation of endowment assets pursuant to spending-rate policy	-	-	-
<b>Endowment net assets, end of year</b>	<b>\$ -</b>	<b>126,307</b>	<b>126,307</b>

  

2021			
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ -	125,451	125,451
Net investment return	-	21,081	21,081
Contributions/transfers	-	-	-
Appropriation of endowment assets pursuant to spending-rate policy	-	-	-
<b>Endowment net assets, end of year</b>	<b>\$ -</b>	<b>146,532</b>	<b>146,532</b>

**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, 2022 and 2021.

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**BOOTHBAY REGION YMCA**  
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**NOTE 11 – 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>2022</u>	<u>2021</u>
Program fees	\$ 645,670	588,304
Less: financial assistance provided	49,571	38,339
<b>Program fees, net</b>	<b>596,099</b>	<b>549,965</b>
Membership dues	762,494	680,317
Less: financial assistance provided	69,261	61,858
<b>Membership dues, net</b>	<b>\$ 693,233</b>	<b>618,459</b>

**NOTE 12 – 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, 2022 and 2021 were \$56,747 and \$51,373, 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 Y pays dues to YMCA of the USA. Dues paid to YMCA of the USA for the years 2022 and 2021, were \$31,054 and \$29,715, respectively.

**BOOTHBAY REGION YMCA**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**

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**NOTE 14 – CONTINGENCIES**

The Y 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.

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*See independent auditors' report.*