



BOOTHBAY REGION YMCA

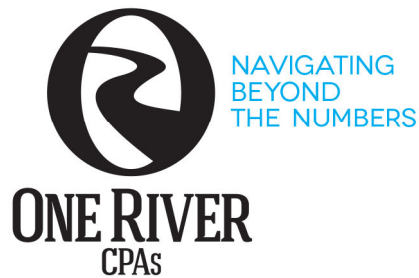
Financial Statements

Years Ended December 31, 2023 and 2022

BOOTHBAY REGION YMCA
Financial Statements
Years Ended December 31, 2023 and 2022

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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, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Boothbay Region YMCA as of December 31, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of 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

Augusta, Maine
May 29, 2024

BOOTHBAY REGION YMCA
Statements of Financial Position
December 31, 2023 and 2022

	2023			2022		
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total
ASSETS						
Current assets:						
Cash and cash equivalents - without restrictions	\$ 463,499	-	463,499	\$ 805,584	-	805,584
Cash and cash equivalents - designated and with restrictions	-	155,453	155,453	-	359,571	359,571
Accounts receivable, net of allowance	25,458	3,766	29,224	10,911	-	10,911
Promises to give receivable	81,857	2,474,217	2,556,074	84,605	575,628	660,233
Prepaid expenses	31,323	-	31,323	96,349	-	96,349
Inventory	423	-	423	573	-	573
Total current assets	602,560	2,633,436	3,235,996	998,022	935,199	1,933,221
Property and equipment:						
Construction in progress	123,484	-	123,484	406,474	-	406,474
Land and land improvements	2,959,145	-	2,959,145	2,834,511	-	2,834,511
Building and improvements	20,167,063	-	20,167,063	18,944,539	-	18,944,539
Equipment	1,001,054	-	1,001,054	749,261	-	749,261
Property and equipment, cost	24,250,746	-	24,250,746	22,934,785	-	22,934,785
Less: accumulated depreciation	(7,193,254)	-	(7,193,254)	(6,438,586)	-	(6,438,586)
Net property and equipment	17,057,492	-	17,057,492	16,496,199	-	16,496,199
Other assets:						
Right of use assets - finance lease	48,868	-	48,868	38,085	-	38,085
Right of use assets - operating lease	23,839	-	23,839	30,547	-	30,547
Promises to give receivable, net of current portion	34,833	339,401	374,234	57,855	515,111	572,966
Beneficial interests in perpetual trusts	-	471,160	471,160	-	434,736	434,736
Investments	5,938,339	139,253	6,077,592	5,534,740	126,307	5,661,047
Total other assets	6,045,879	949,814	6,995,693	5,661,227	1,076,154	6,737,381
Total assets	\$ 23,705,931	3,583,250	27,289,181	\$ 23,155,448	2,011,353	25,166,801
LIABILITIES AND NET ASSETS						
Current liabilities:						
Accounts payable	\$ 149,835	-	149,835	\$ 56,343	-	56,343
Accrued expenses	87,055	-	87,055	92,072	-	92,072
Deferred revenue	87,180	-	87,180	99,498	-	99,498
Current portion of lease liabilities - finance lease	14,565	-	14,565	8,677	-	8,677
Current portion of lease liabilities - operating lease	7,086	-	7,086	6,707	-	6,707
Current portion of notes payable	1,104,987	-	1,104,987	1,283,689	-	1,283,689
Total current liabilities	1,450,708	-	1,450,708	1,546,986	-	1,546,986
Long-term liabilities:						
Lease liabilities - finance lease, net of current portion	35,683	-	35,683	29,412	-	29,412
Lease liabilities - operating lease, net of current portion	16,754	-	16,754	23,840	-	23,840
Notes payable, net of current portion	830,744	-	830,744	849,375	-	849,375
Total long-term liabilities	883,181	-	883,181	902,627	-	902,627
Total liabilities	2,333,889	-	2,333,889	2,449,613	-	2,449,613
Net assets:						
Without donor restrictions	21,372,042	-	21,372,042	20,705,835	-	20,705,835
With donor restrictions	-	3,583,250	3,583,250	-	2,011,353	2,011,353
Total net assets	21,372,042	3,583,250	24,955,292	20,705,835	2,011,353	22,717,188
Total liabilities and net assets	\$ 23,705,931	3,583,250	27,289,181	\$ 23,155,448	2,011,353	25,166,801

See accompanying notes to financial statements.

BOOTHBAY REGION YMCA
Statements of Activities
Years Ended December 31, 2023 and 2022

	2023			2022		
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total
Operating activities:						
Revenue and support:						
Program fees	\$ 812,572	-	812,572	\$ 605,423	-	605,423
Membership dues	901,598	-	901,598	693,233	-	693,233
Facility rentals	41,112	-	41,112	31,048	-	31,048
Sales, net	985	-	985	2,223	-	2,223
Donations and grants	841,652	3,023,036	3,864,688	861,752	986,945	1,848,697
Special events	13,850	-	13,850	22,301	-	22,301
Miscellaneous	256,097	191	256,288	214,795	-	214,795
Interest and dividends	169,784	10,139	179,923	202,158	11,994	214,152
Total revenue and gains	3,037,650	3,033,366	6,071,016	2,632,933	998,939	3,631,872
Net assets released from restrictions	1,510,440	(1,510,440)	-	4,911,282	(4,911,282)	-
Total revenues, gains and other support	4,548,090	1,522,926	6,071,016	7,544,215	(3,912,343)	3,631,872
Expenses:						
Program services:						
Aquatics	733,695	-	733,695	664,415	-	664,415
Camp and afterschool	793,666	-	793,666	628,306	-	628,306
Child Care	503,124	-	503,124	426,730	-	426,730
Wellness and other programs	1,342,482	-	1,342,482	975,965	-	975,965
Total program services	3,372,967	-	3,372,967	2,695,416	-	2,695,416
Supporting services:						
Management and general	627,765	-	627,765	536,252	-	536,252
Fundraising	233,775	-	233,775	269,714	-	269,714
Total supporting services	861,540	-	861,540	805,966	-	805,966
Total expenses	4,234,507	-	4,234,507	3,501,382	-	3,501,382
Change in net assets from operations	313,583	1,522,926	1,836,509	4,042,833	(3,912,343)	130,490
Non-operating activities:						
Gains (losses) on disposal of property and equipment	433	-	433	(228,709)	-	(228,709)
Realized and unrealized gains (losses) on investments	352,191	12,547	364,738	(1,444,652)	(23,936)	(1,468,588)
Change in beneficial interests in trusts	-	36,424	36,424	-	(122,603)	(122,603)
Total non-operating activities	352,624	48,971	401,595	(1,673,361)	(146,539)	(1,819,900)
Change in net assets	666,207	1,571,897	2,238,104	2,369,472	(4,058,882)	(1,689,410)
Net assets, beginning of year	20,705,835	2,011,353	22,717,188	18,336,363	6,070,235	24,406,598
Net assets, end of year	\$ 21,372,042	3,583,250	24,955,292	\$ 20,705,835	2,011,353	22,717,188

See accompanying notes to financial statements.

BOOTHBAY REGION YMCA
Statement of Functional Expenses
Year Ended December 31, 2023

						Supporting Services		Total
	Aquatics Programs	Camp and Afterschool Programs	Child Care	Wellness and Other Programs	Total Program Services	Management and General	Fundraising	
Salaries	\$ 254,375	406,958	314,469	431,713	1,407,515	313,987	110,237	1,831,739
Employee taxes and benefits	49,817	59,498	68,895	80,444	258,654	87,249	30,281	376,184
Contract services	9,172	41,849	9,902	29,664	90,587	101,552	30,605	222,744
Supplies	11,378	31,578	13,494	119,723	176,173	7,048	36,384	219,605
Telephone and internet	10,199	9,563	1,700	18,699	40,161	-	-	40,161
Postage and printing	139	62	62	230	493	634	4,453	5,580
Occupancy	148,452	128,130	46,238	222,374	545,194	4,127	465	549,786
Advertising	514	117	91	996	1,718	89	10	1,817
Travel and training	4,467	11,829	1,405	2,314	20,015	4,397	1,091	25,503
Equipment	10,571	20,341	1,599	12,063	44,574	12,580	1,417	58,571
Dues and licenses	2,871	3,264	2,619	2,810	11,564	35,160	10,785	57,509
Interest	1,635	1,635	1,635	1,635	6,540	22,113	2,492	31,145
Depreciation and amortization	227,591	76,455	38,671	416,510	759,227	11,989	1,351	772,567
Miscellaneous and bad debt	2,514	2,387	2,344	3,307	10,552	26,840	4,204	41,596
Total expenses	\$ 733,695	793,666	503,124	1,342,482	3,372,967	627,765	233,775	4,234,507

See accompanying notes to financial statements.

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

						Supporting Services		Total
	Aquatics Programs	Camp and Afterschool Programs	Child Care	Wellness and Other Programs	Total Program Services	Management and General	Fundraising	
Salaries	\$ 210,828	318,278	279,333	361,782	1,170,221	276,296	125,957	1,572,474
Employee taxes and benefits	45,056	54,659	57,828	77,141	234,684	70,279	37,248	342,211
Contract services	10,515	26,399	11,314	47,495	95,723	109,677	69,326	274,726
Supplies	10,459	31,591	10,220	64,513	116,783	8,844	18,357	143,984
Telephone and internet	3,610	6,364	602	6,619	17,195	-	-	17,195
Postage and printing	187	136	136	249	708	1,695	4,069	6,472
Occupancy	140,399	115,609	34,489	210,473	500,970	-	-	500,970
Advertising	565	211	173	1,297	2,246	1,273	278	3,797
Travel and training	7,356	5,398	264	1,721	14,739	627	98	15,464
Equipment	3,909	14,525	1,013	9,567	29,014	5,868	661	35,543
Dues and licenses	2,094	3,380	1,994	2,679	10,147	24,662	9,364	44,173
Interest	1,469	1,469	1,469	1,469	5,876	19,866	2,238	27,980
Depreciation and amortization	227,143	49,399	24,963	189,320	490,825	7,138	804	498,767
Miscellaneous and bad debt	825	888	2,932	1,640	6,285	10,027	1,314	17,626
Total expenses	\$ 664,415	628,306	426,730	975,965	2,695,416	536,252	269,714	3,501,382

See accompanying notes to financial statements.

BOOTHBAY REGION YMCA
Statements of Cash Flows
Years Ended December 31, 2023 and 2022

	2023	2022
Cash flows from operating activities:		
Change in net assets	\$ 2,238,104	(1,689,410)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Net realized and unrealized (gains) losses on investments	(364,738)	1,468,588
Change in beneficial interests in trusts	(36,424)	122,603
(Gains) losses on disposal of property and equipment	(433)	228,709
Depreciation	772,567	498,767
(Increase) decrease in:		
Accounts receivable	(18,313)	252,108
Promises to give receivable	(1,697,109)	508,797
Prepaid expenses	65,026	(39,817)
Inventory	150	253
Increase (decrease) in:		
Accounts payable	93,492	(143,357)
Accrued expenses	(5,017)	59,815
Deferred revenue	(12,318)	53,401
Net cash provided by operating activities	1,034,987	1,320,457
Cash flows from investing activities:		
Purchase of property and equipment	(1,098,448)	(4,701,392)
(Purchase of) proceeds from sales of investments, net	(51,807)	89,924
Net cash used in investing activities	(1,150,255)	(4,611,468)
Cash flows from financing activities:		
Payments on finance lease liabilities	(16,866)	(10,801)
Payments on notes payable	(414,069)	(23,307)
Net cash used in financing activities	(430,935)	(34,108)
Net decrease in cash and cash equivalents	(546,203)	(3,325,119)
Cash, cash equivalents, and restricted cash, beginning of year	1,165,155	4,490,274
Cash, cash equivalents, and restricted cash, end of year	\$ 618,952	1,165,155
Cash, cash equivalents, and restricted cash:		
Cash and cash equivalents - without restrictions	\$ 463,499	805,584
Cash and cash equivalents - designated and with restrictions	155,453	359,571
Total cash, cash equivalents, and restricted cash:	\$ 618,952	1,165,155
Supplemental disclosure of cash flow information:		
Interest paid	\$ 31,145	27,980
Non-cash investing and financing activities:		
Additions of right of use assets and lease obligations	\$ 27,667	56,405
Property and equipment financed with debt	\$ 216,737	1,252,119

See accompanying notes to financial statements.

BOOTHBAY REGION YMCA
Notes to Financial Statements
Years Ended December 31, 2023 and 2022

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 3,100 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 its 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.

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 and adult sports, senior social events, music theatre and dance, and martial arts.

Wellness - The Wellness Department provides a full range of programs and services to its approximately 2,500 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 the 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 the Y's 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. Its Dolphin Swim Team provides 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 425 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 campers, ages 5-16. This resource is critical for the working parents of the community. Over \$63,000 was raised in 2023 and \$62,000 in 2022 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 its collaborative partners at Central Lincoln County YMCA, Healthy Lincoln County, Lincoln Health's Coulombe Center for Health Improvement, and the local school systems.

Child Care - 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 and 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 childcare slots.

BOOTHBAY REGION YMCA
Notes to Financial Statements
Years Ended December 31, 2023 and 2022

NOTE 1 – NATURE OF OPERATIONS, CONTINUED

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 (6th grade-12th 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 Trustees 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 amounts in the prior year financial statements have been reclassified to conform to the presentation in the current year. The programs identified, expense groupings, and allocation methods used to prepare the statement of functional expenses for 2022 were modified to conform to the current year presentation. There was no impact to the 2022 net assets or change in net assets as a result of such reclassifications.

Measure of Operations - The statements of activities report all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to the 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.

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.

See independent auditors' report.

BOOTHBAY REGION YMCA
Notes to Financial Statements
Years Ended December 31, 2023 and 2022

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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 repairs, maintenance, insurance, 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.

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 Y's tax return is subject to examination by the Internal Revenue Services (IRS), generally for three years after they are filed.

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.

See independent auditors' report.

BOOTHBAY REGION YMCA
Notes to Financial Statements
Years Ended December 31, 2023 and 2022

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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, 2023 and 2022, 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.

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.

BOOTHBAY REGION YMCA
Notes to Financial Statements
Years Ended December 31, 2023 and 2022

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 Summer Camp 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 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:

	2023	2022
Unconditional promises expected to be collected in:		
Less than one year	\$ 2,556,074	660,233
One year to five years	395,711	597,098
Total unconditional promises	2,951,785	1,257,331
Less:		
Allowance for uncollectible promises to give	-	-
Discount to present value	21,477	24,132
Total discounted unconditional promises	2,930,308	1,233,199
Less current portion	2,556,074	660,233
Total promises to give receivable, net of current portion	\$ 374,234	572,966

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

Included in pledges receivable are amounts promised by certain members of the Board of Trustees and Senior Management. At December 31, 2023 and 2022, those amounts totaled approximately \$196,902 and \$226,108, respectively.

NOTE 4 – INVESTMENTS AND FAIR VALUE MEASUREMENTS

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

See independent auditors' report.

BOOTHBAY REGION YMCA
Notes to Financial Statements
Years Ended December 31, 2023 and 2022

NOTE 4 – INVESTMENTS AND FAIR VALUE MEASUREMENTS, CONTINUED

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).

Closed-end Funds: Consist of closed-end funds that are invested in various securities and private equity. The fair value of closed-end funds are not readily marketable (Level 3 inputs).

Beneficial interest in trusts: Consist of interests in perpetual trusts. The fair value of beneficial interest in trusts is determined by obtaining quoted prices on nationally recognized securities exchanges for the securities within the perpetual trusts and adjusting for the Y's proportional interest in the trusts (Level 3 inputs).

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

2023				
	Fair Value Measurements			
	Fair Value	Level 1	Level 2	Level 3
Cash equivalents	\$ 898,363	898,363	-	-
Mutual funds and ETFs	4,649,765	4,649,765	-	-
Closed-end funds	529,464	-	-	529,464
Beneficial interest in trusts	471,160	-	-	471,160
	\$ 6,548,752	5,548,128	-	1,000,624
2022				
	Fair Value Measurements			
	Fair Value	Level 1	Level 2	Level 3
Cash equivalents	\$ 399,927	399,927	-	-
Mutual funds and ETFs	5,661,047	5,261,120	-	-
Closed-end funds	-	-	-	-
Beneficial interest in trusts	434,736	-	-	434,736
	\$ 6,095,783	5,661,047	-	434,736

Mutual funds, beneficial interest in trusts, and closed-end funds are measured on a recurring basis.

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BOOTHBAY REGION YMCA
Notes to Financial Statements
Years Ended December 31, 2023 and 2022

NOTE 4 – INVESTMENTS AND FAIR VALUE MEASUREMENTS, CONTINUED

The reconciliation of the changes in the beneficial interest in trusts and closed-end funds, measured at fair value using significant unobservable inputs (Level 3), is as follows:

December 31, 2021	\$	557,339
Change in value of beneficial interest agreements		(122,603)
December 31, 2022		434,736
Contributions to closed-end funds		529,469
Change in value of closed-end funds		(5)
Change in value of beneficial interest agreements		36,424
December 31, 2023		\$ 1,000,624

NOTE 5 – AVAILABILITY AND LIQUIDITY

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

Cash and cash equivalents	\$	618,952
Accounts receivable		29,224
Current portion of promises to give		2,556,074
Investments		6,077,592
Total financial assets		9,281,842
Less amounts not available to be used within one year:		
Net assets with donor restrictions		3,583,250
Less: perpetual trust anticipated distribution		28,000
Less: net assets with temporary restrictions to be met in less than a year		11,366
		3,543,884
Financial assets available to meet general expenditures over the next twelve months		\$ 5,737,958

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 (8.5% at December 31, 2023), and are unsecured. At December 31, 2023 and 2022, the line of credit had balances of \$0.

NOTE 7 – NOTES PAYABLE

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

	2023	2022
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 September 2023, through September 2026, and final balance due September 2027. Balance was paid in full during the first quarter of 2024.	\$ 1,078,855	1,252,119

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BOOTHBAY REGION YMCA
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NOTE 7 – NOTES PAYABLE, CONTINUED

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.	556,876	580,945
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
Total notes payable	1,935,731	2,133,064
Less: current portion	1,104,987	1,283,689
Notes payable, net of current portion	\$ 830,744	849,375

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

Years ending December 31:	
2024	\$ 1,104,987
2025	33,594
2026	34,655
2027	35,749
2028	36,838
Thereafter	689,908
	\$ 1,935,731

NOTE 8 – LEASING ACTIVITIES

The Y has operating and financing leases of office and fitness equipment. The leases have remaining terms of three to four years. Monthly payments on the leases totals \$2,213 at December 31, 2023.

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

	2023	2022
Weighted Average Remaining Lease Term		
Finance leases	3.2 years	3.5 years
Operating leases	3.2 years	4.2 years
Weighted Average Discount Rate		
Finance leases	8.88%	8.19%
Operating leases	5.50%	5.53%

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BOOTHBAY REGION YMCA
Notes to Financial Statements
Years Ended December 31, 2023 and 2022

NOTE 8 – LEASING ACTIVITIES, CONTINUED

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

Years ending December 31:	Finance	Operating
2024	\$ 18,336	8,220
2025	18,336	8,220
2026	18,336	8,220
2027	2,541	1,371
2028	-	-
Total lease payments	57,549	26,031
Less: interest	7,301	2,191
Present value of lease liabilities	\$ 50,248	23,840

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

	2023	2022
Operating lease expense included in management and general expenses	\$ 8,220	10,800
Finance lease costs:		
Amortization of lease assets included in management and general expenses	\$ 16,886	10,054
Interest on lease liabilities included in management and general expenses	3,889	673
Total finance lease costs	\$ 20,775	10,727

The operating cash outflows from finance leases consisted of \$3,889 and \$673 for the years ended December 31, 2023 and 2022.

NOTE 9 – NET ASSETS

Net assets consisted of the following at December 31:

	2023			
	Without Donor Restrictions	With Donor Restrictions		Total
	\$	Temporary Restrictions	Permanent Restrictions	Net Assets
Endowment funds	\$ 5,638,338	77,253	62,000	5,777,591
Beneficial interest in perpetual trusts	-	-	471,160	471,160
Unrestricted	(3,780)	-	-	(3,780)
Unrestricted - board designated	315,724	-	-	315,724
Donor designations	-	2,972,837	-	2,972,837
Property and equipment, net of debt	15,421,760	-	-	15,421,760
Total net assets	\$ 21,372,042	3,050,090	533,160	24,955,292

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BOOTHBAY REGION YMCA
Notes to Financial Statements
Years Ended December 31, 2023 and 2022

NOTE 9 – NET ASSETS, CONTINUED

	2022			
	Without	With Donor Restrictions		Total
	Donor	Temporary	Permanent	
	Restrictions	Restrictions	Restrictions	Net Assets
Endowment funds	\$ 5,234,740	64,307	62,000	5,361,047
Beneficial interest in perpetual trusts	-	-	434,736	434,736
Unrestricted	461,512	-	-	461,512
Unrestricted - board designated	346,447	-	-	346,447
Donor designations	-	1,450,310	-	1,450,310
Property and equipment, net of debt	14,663,136	-	-	14,663,136
Total net assets	\$ 20,705,835	1,514,617	496,736	22,717,188

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

	2023	2022
Board designated endowment funds	\$ 5,638,338	5,234,740
Use in future years	240,000	240,000
Approved addition to capital improvements fund	60,000	60,000
Capital improvements fund	15,724	46,447
Total board designated net assets	\$ 5,954,062	5,581,187

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

	2023	2022
Board designated net assets, beginning of year	\$ 5,581,187	7,153,291
Net investment return (loss)	489,968	(1,269,041)
Contributions/transfers	214,265	86,252
Appropriations/expenditures	(331,358)	(389,315)
Total board designated net assets	\$ 5,954,062	5,581,187

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

	2023	2022
Subject to expenditure for specified purpose:		
Capital campaign	\$ 2,965,237	1,440,986
Other specific programs	7,600	9,324
	2,972,837	1,450,310
Endowments subject to spending policy and appropriation:		
Donor-restricted funds to be maintained in perpetuity	62,000	62,000
Unappropriated income	77,253	64,307
	139,253	126,307
Not subject to spending policy or appropriation	471,160	434,736
Total net assets with donor restrictions	\$ 3,583,250	2,011,353

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BOOTHBAY REGION YMCA
Notes to Financial Statements
Years Ended December 31, 2023 and 2022

NOTE 9 – NET ASSETS, CONTINUED

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:

	2023	2022
Capital campaign	\$ 1,501,116	4,837,724
Capital improvements	-	24,163
Food initiative	-	40,695
Other programs	9,324	8,700
Total net assets released from donor restrictions	\$ 1,510,440	4,911,282

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.

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:

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	\$ 5,638,338	-	5,638,338
Donor designated endowment funds:			
Amounts required to be maintained in perpetuity	-	62,000	62,000
Accumulated investment gains	-	77,253	77,253
Total endowment funds	\$ 5,638,338	139,253	5,777,591

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BOOTHBAY REGION YMCA
Notes to Financial Statements
Years Ended December 31, 2023 and 2022

NOTE 10 – ENDOWMENT COMPOSITION, CONTINUED

	2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	\$ 5,234,740	-	5,234,740
Donor designated endowment funds:			
Amounts required to be maintained in perpetuity	-	62,000	62,000
Accumulated investment gains	-	64,307	64,307
Total endowment funds	\$ 5,234,740	126,307	5,361,047

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.

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, 2023 and 2022, the appropriation percentage totaled 0%.

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

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 5,234,740	126,307	5,661,047
Net investment return	488,653	12,946	501,599
Contributions and transfers	214,265	-	214,265
Appropriation of endowment assets pursuant to spending-rate policy	(299,320)	-	(299,320)
Endowment net assets, end of year	\$ 5,638,338	139,253	5,777,591

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BOOTHBAY REGION YMCA
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NOTE 10 – ENDOWMENT COMPOSITION, CONTINUED

	2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 6,773,027	146,532	6,919,559
Net investment loss	(1,269,694)	(20,225)	(1,289,919)
Contributions and transfers	86,252	-	86,252
Appropriation of endowment assets pursuant to spending-rate policy	(354,845)	-	(354,845)
Endowment net assets, end of year	\$ 5,234,740	126,307	5,361,047

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, 2023 and 2022.

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:

	2023	2022
Program fees	\$ 857,547	645,670
Less: financial assistance provided	44,975	49,571
Program fees, net	812,572	596,099
Membership dues	968,358	762,494
Less: financial assistance provided	66,760	69,261
Membership dues, net	\$ 901,598	693,233

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.

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BOOTHBAY REGION YMCA
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NOTE 12 – DEFINED CONTRIBUTION PLANS, CONTINUED

In accordance with the agreement, contributions for the YMCA Retirement Fund Retirement Plan are a percentage of the participating employees' salary. These amounts are paid by the 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 with 1000 hours in each year. The two years does not have to be consecutive. Participation is mandatory for all eligible employees under the age of 60. Total plan costs for the years ended December 31, 2023 and 2022 were \$73,492 and \$56,747, 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 2023 and 2022, were \$46,095 and \$31,054, respectively.

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.