WALDO COUNTY YMCA

FINANCIAL STATEMENTS

DECEMBER 31, 2025

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Foster & Company, LLC

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Waldo County YMCA

Opinion

We have audited the accompanying financial statements of Waldo County YMCA (a nonprofit organization), which comprise the statement of financial position as of December 31, 2025, and 2024, and the related statements of activities 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 Waldo County YMCA as of December 31, 2025, and 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Waldo County YMCA and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities 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 Waldo County YMCA's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's 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 auditor's 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 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 Waldo County YMCA's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Waldo County YMCA's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Foster + Company LLC

Bucksport, Maine

May 15, 2026

WALDO COUNTY YMCA
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2025 and 2024

	2025	2024
ASSETS		
Current Assets		
Cash and Cash Equivalents	$596,737	$360,792
Accounts Receivable, Net of Allowance for Doubtful Accounts of $4,351 in 2025 and $2,445 in 2024	34,609	27,496
Prepaid Expenses	13,757	17,307
Investments	1,470,266	1,412,026
Total Current Assets	2,115,369	1,817,621
Non-current Assets		
Property and Equipment- Net	3,827,668	3,901,006
Total Assets	$5,943,037	$5,718,627
LIABILITIES and NET ASSETS		
Current Liabilities		
Accounts Payable	$1,561	$9,008
Accrued Payroll and Payroll Deductions	19,144	43,286
Current Portion of Finance Lease Liabilities	14,819	1,848
Deferred Revenue	77,604	73,449
Total Current Liabilities	113,128	127,591
Long Term Portion of Finance Lease Liablities	45,959	-
Total Liabilities	159,087	127,591
Net Assets		
Without Donor Restrictions	4,810,647	4,721,416
With Donor Restrictions		
Subject to Expenditure for Specified Purpose	24,000	24,000
Subject to Organization Spending Policy and Appropriation	529,892	517,602
Not Subject to Appropriation and Expenditure	419,411	328,018
Total Net Assets With Donor Restrictions	973,303	869,620
Total Net Assets	5,783,950	5,591,036
Total Liabilities and Net Assets	$5,943,037	$5,718,627

See Accompanying Notes

WALDO COUNTY YMCA
STATEMENT OF ACTIVITIES
DECEMBER 31, 2025 and 2024

	Without Donor Restrictions	With Donor Restrictions	Totals 2025	Totals 2024
Operating Activities				
REVENUES AND OTHER SUPPORT				
Contributions of Cash and Other Financial Assets	$431,883	12,264	444,147	389,575
Contributions of Non-Financial Assets	2,747	-	2,747	3,593
Fund Raising and Special Events	48,153	-	48,153	46,934
Membership	1,282,290	-	1,282,290	1,184,051
Program Revenue	779,552	-	779,552	734,564
Merchandise Sales	3,699	-	3,699	8
Rental Income	4,645	-	4,645	5,143
Employee Retention Credit	173,578	-	173,578	-
Other Income	106	-	106	1,074
Interest Income	68,692	-	68,692	15,890
Net Assets Released From Restrictions	-	-	-	-
Total Revenues and Other Support	2,795,345	12,264	2,807,609	2,380,831
EXPENSES				
Program Services				
Program Expense	1,469,879	-	1,469,879	1,412,446
Facility Costs	801,783	-	801,783	727,875
Total Program Services	2,271,662	-	2,271,662	2,140,321
Supporting Services				
Management and General	357,198	-	357,198	316,673
Fundraising	103,264	-	103,264	116,234
Total Supporting Services	460,462	-	460,462	432,907
Total Expenses	2,732,124	-	2,732,124	2,573,228
Change in Net Assets From Operations	63,221	12,264	75,485	192,397
Nonoperating Activities				
Investment Return, Net	26,010	91,419	117,429	121,363
Total Nonoperating Activities	26,010	91,419	117,429	121,363
Change in Net Assets	89,231	103,683	192,914	71,034
Net Assets Beginning of Year	4,721,416	869,620	5,591,036	5,662,070
Net Assets End of Year	$4,810,647	$973,303	$5,783,950	$5,591,036

See Accompanying Notes

WALDO COUNTY YMCA
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2025 and 2024

	Program Services	Facility	Total Program Services	Management & General	Fundraising	Total 2025	Total 2024
Wages	920,987	157,543	1,078,530	98,547	65,629	1,242,706	1,140,583
Payroll Taxes	74,796	12,869	87,665	7,485	4,987	100,137	91,712
Fringe Benefits	50,231	7,993	58,224	5,860	5,638	69,722	67,838
Retirement	37,184	3,810	40,994	4,644	3,003	48,641	41,908
Workers Compensation	6,203	1,054	7,257	654	437	8,348	12,408
Payroll Processing Fees	-	-	-	5,663	-	5,663	7,851
Total Wages and Overhead	1,089,401	183,269	1,272,670	122,853	79,694	1,475,217	1,362,300
Professional Fees	11,047	-	11,047	64,255	-	75,302	46,624
Service Contracts	-	-	-	4,109	-	4,109	4,006
Advertising	1,393	-	1,393	1,197	3,243	5,833	9,877
Data Processing Technology	21,384	-	21,384	175	-	21,559	21,680
Material and Supplies	14,632	12,506	27,138	8,593	-	35,731	37,261
Printing and Postage	-	-	-	3,222	-	3,222	4,282
Telephone and Internet	-	-	-	5,980	-	5,980	5,809
Utilities	-	196,387	196,387	-	-	196,387	181,353
Travel and Vehicle Expenses	8,826	119	8,945	2,531	-	11,476	7,427
Repairs and Maintenance	3,504	72,368	75,872	-	-	75,872	74,636
Minor Equipment	-	7,946	7,946	9,883	-	17,829	18,867
Insurance	1,439	17,929	19,368	25,688	-	45,056	43,415
Licenses and Permits	155	-	155	20	-	175	298
Dues and Subscriptions	-	-	-	49,028	-	49,028	38,651
Bank Charges and Fees	-	-	-	51,940	-	51,940	46,217
Miscellaneous	6,668	-	6,668	7,121	-	13,789	16,930
Contributions	-	-	-	325	-	325	225
Fundraising Activities	-	-	-	-	20,327	20,327	19,758
Camping Activities	22,226	-	22,226	-	-	22,226	8,113
Education	1,599	-	1,599	-	-	1,599	-
Other Program Expenses	8,866	-	8,866	-	-	8,866	10,463
Recreation Activities	9,405	-	9,405	-	-	9,405	4,608
Sport Activities	27,400	-	27,400	-	-	27,400	28,629
Pool Supplies & Maintenance	59,071	-	59,071	-	-	59,071	110,186
Bad Debt	4,351	-	4,351	-	-	4,351	9,775
Interest	1,895	-	1,895	278	-	2,173	-
Depreciation	-	311,259	311,259	-	-	311,259	293,580
Scholarships	176,617	-	176,617	-	-	176,617	168,259
Operating Expenses	1,469,879	801,783	2,271,662	357,198	103,264	2,732,124	2,573,228

See Accompanying Notes

WALDO COUNTY YMCA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025 and 2024

	2025	2024
Cash Flows From Operating Activities		
Change in Net Assets	$192,914	$(71,034)
Adjustments to reconcile changes to net assets to net cash provided (used) by operating activities		
Depreciation	311,259	293,580
Net depreciation (appreciation) on investments	(40,870)	(47,913)
(Increase) decrease in receivables	(7,113)	(3,548)
(Increase) decrease in prepaid expenses	3,550	3,320
Increase (decrease) in accounts payable	(7,447)	(4,731)
Increase (decrease) in other accrued payroll and payroll deductions	(24,142)	(2,653)
Increase (decrease) in deferred revenue	4,155	2,417
Net Cash Provided (Used) by Operating Activities	$432,306	$169,438
Cash Flows From Investing Activities		
Purchase of fixed assets	(167,884)	(19,736)
Purchase of investments	(89,760)	(736,094)
Proceeds from sales and maturities of investments	2,353	593,230
Net Cash Provided (Used) by Investing Activities	(255,291)	(162,600)
Cash Flows From Financing Activities		
Repayment of Principal Portion of Financing Lease	(11,106)	(1,988)
Proceeds from financing lease	70,036	0
Net Cash Provided (Used) by Financing Activities	58,930	(1,988)
NET INCREASE (DECREASE) IN CASH	235,945	4,850
CASH AND CASH EQUIVALENTS, AT BEGINNING OF YEAR	360,792	355,942
CASH AND CASH EQUIVALENTS, AT END OF YEAR	$596,737	$360,792

See Accompanying Notes

Note 1 – Description of the Organization

The Waldo County YMCA (YMCA), a Maine not-for-profit corporation, was formed to promote the physical, mental, social, and spiritual development of Waldo County children and families. Programs offered by the YMCA include daycare services, exercise and wellness activities, and a variety of other specialized adult and youth programs. Revenue is derived primarily from memberships, program fees and contributions.

Note 2 – Summary of Significant Accounting Policies

Basis of presentation – The financial statements of the YMCA have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require the YMCA to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the YMCA's management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the YMCA or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Measure of operations- The statements of activities reports all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to the YMCA ongoing services and interest and dividends 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.

Cash and cash equivalents – The YMCA's cash consists of cash on deposit with banks. Cash equivalents represent money market funds or short-term investments with original maturities of three months or less from the date of purchase, except for those amounts that are held in the investment portfolio which are invested for long-term purposes.

Concentration of credit risk – Financial instruments that potentially subject the YMCA to concentrations of credit risk consist principally of cash and cash equivalents and investments. The YMCA maintains its cash at a single financial institution and utilizes an Insured Cash Sweep (ICS) service to prevent cash from exceeding federally insured limits. The YMCA has not experienced, nor does it anticipate, any losses with respect to such accounts.

Accounts Receivable - Accounts receivable represent amounts due for memberships, short-term contributions and program fees.

Note 2 – Summary of Significant Accounting Policies (Continued)

Contributions receivable – Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Discount amortization is included in contribution revenue. Conditional promises to give are not included as support until the conditions are met.

Property and equipment, net – Property and equipment are stated at cost at the date of purchase or, for donated assets, at fair value at the date of donation, less accumulated depreciation. Depreciation is calculated using the straight-line method over the lesser of the estimated useful lives of the assets or the lease term. The useful lives range from three to fifty years. The YMCA's policy is to capitalize renewals and betterments acquired for greater than $5,000 and expense normal repairs and maintenance as incurred. The YMCA's management periodically evaluates whether events or circumstances have occurred indicating that the carrying amount of long-lived assets may not be recovered.

The methods of depreciation and lives used are as follows:

	Life	Method
Equipment	3 - 12 years	Straight line
Building	15 - 50 years	Straight line
Land Improvements	15 - 50 years	Straight line

Investments – Investments are reported at cost, if purchased, or fair value, if donated. Thereafter, investments are reported at their fair values in the statements of financial position, and changes in fair value are reported as investment return in the statements of activities.

Purchases and sales of securities are reflected on a trade-date basis. Gains and losses on sales of securities are based on average cost and are recorded in the statements of activities in the period in which the securities are sold. Interest is recorded when earned. Dividends are accrued as of the ex-dividend date.

Fair value measurements – Fair value is defined as the price that would be received to sell an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. Fair value should be based on the assumptions market participants would use when pricing an asset. US GAAP establishes a fair value hierarchy that prioritizes investments based on those assumptions. The fair value hierarchy gives the highest priority to quoted prices in active markets (observable inputs) and the lowest priority to an entity's assumptions (unobservable inputs). The YMCA groups assets at fair value in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value.

Note 2 – Summary of Significant Accounting Policies (Continued)

Fair value measurements – (Continued)
These levels are:

Level 1	Unadjusted quoted market prices for identical assets or liabilities in active markets as of the measurement date.
Level 2	Other observable inputs, either directly or indirectly, including: ▪ Quoted prices for similar assets/liabilities in active markets; ▪ Quoted prices for identical or similar assets in non-active markets; ▪ Inputs other than quoted prices that are observable for the asset/liability; and, • Inputs that are derived principally from or corroborated by other observable market data.
Level 3	Unobservable inputs that cannot be corroborated by observable market data.

Contributions – Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

Contributions Non-Financial Assets (gifts in-kind) – The YMCA receives fundraising and other services donated by its board and other interested persons in the community. The financial statements do not reflect the value of these series because they do not create or enhance non-financial assets or require specialized skills and typically would not be purchased if not provided by donation.

Several volunteers have made significant contributions of their time in furtherance of the YMCA's mission. These services were not reflected in the accompanying statements of activities because they do not meet the necessary criteria for recognition under US GAAP.

Contributions of Non-Financial Assets consisted of the following:

	2025	2024
Bus tires	$ -	$1,509
Event food & supplies	1,662	250
Small equipment & supplies	1,085	1,834
	$2,747	$3,593

These amounts are recorded at their estimated fair value determined on the date of contribution and are reported as contributions in-kind on the statement of activities.

Note 2 – Summary of Significant Accounting Policies (Continued)

Functional expenses – The costs of providing program and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among services and supporting services benefited. Such allocations are determined by management on an equitable basis.

The expenses that are allocated include the following:

Expense	Method of Allocation
Salaries and benefits	Time and effort
Insurance - property	By location
Program costs	By program/cost center actual expense
Supplies	By location actual expense
Depreciation	Not allocated – general program expense
Other	By location and program/cost center

Materials and Supplies - Supplies consist of general office supplies, program supplies, promotional materials, etc. and are expensed when purchased.

Advertising Costs - Advertising costs are charged to operations when incurred. Advertising costs for the year ended December 31, 2025, and 2024 were $5,833 and $9,877, respectively.

Use of Estimates - The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimated.

Tax-Exempt Status - The YMCA is a nonprofit corporation as described in Section 501(c)(3) of the Internal Revenue Code (IRC) and is exempt from federal and state income taxes on related income pursuant to Section 501(a) of the IRC. The YMCA had no unrelated business income for the year ended December 31, 2025. None of the YMCA's federal or state informational returns are currently under examination.

Revenue Recognition - The YMCA recognizes revenue from contracts with customers through three primary revenue streams including membership fees, program fees, and childcare fees. Fees are payable prior to the start of the applicable service period. Revenue is recognized evenly over the service period. Deferred program and membership income (deferred income) on the statement of financial position represent payments received from members for which the service period has not yet occurred. These revenues are recognized as earned over the life of the membership or program.

The following table summarizes the YMCA's disaggregated revenue based on timing of revenue recognition:

Revenue recognized over time:	2025	2024
Membership fees	$1,282,290	$1,184,052
Program and childcare fees	779,552	734,564
	$2,061,842	$1,918,616

Note 2 – Summary of Significant Accounting Policies (Continued)

Leases

The YMCA accounts for leases in accordance with FASB ASC 842. Leases for equipment are evaluated using the criteria outlined in FASB ASC 842 to determine whether they will be classified as operating leases or finance leases. The YMCA determines if an arrangement is a lease, or contains a lease, at inception of a contract and when terms of an existing contract are changed. The YMCA determines if an arrangement conveys the right to use an identified asset and whether the YMCA obtains substantially all of economic benefits from and has the ability to direct the use of the asset. The YMCA recognizes a lease liability and ROU asset at the commencement date of the lease.

Lease liabilities. A lease liability is measured based on the present value of its future lease payments. Variable payments are included in the future lease payments when those variable payments depend on an index or rate and are measured using the index or rate at the commencement date. Lease payments, including variable payments made based on an index rate, are remeasured when any of the following occur: (1) the lease is modified (and the modification is not accounted for as a separate contract), (2) certain contingencies related to variable lease payments are resolved, or (3) there is a reassessment of any of the following; the lease term, purchase options, or amounts that are probable of being owed under a residual value guarantee. The discount rate is the rate implicit in the lease if it is readily determinable; otherwise, the YMCA uses its incremental borrowing rate. The implicit rates of the YMCA's leases are not readily determinable; accordingly, the YMCA uses its incremental borrowing rate based on the information available at the commencement date for each lease. The YMCA's incremental borrowing rate for a lease is the rate of interest it would have to pay on a collateralized basis to borrow an amount equal to the lease payments under similar terms and in a similar economic environment and geographic location. The YMCA determines its incremental borrowing rates by starting with the interest rates on recent borrowings and other observable market rates and adjusting those rates to reflect differences in the amount of collateral and the payment terms of the leases.

ROU assets. A ROU asset is measured at the commencement date at the amount of the initially measured liability plus any lease payments made to the lessor before or after commencement date, minus any lease incentives received, plus any initial direct costs. Unless impaired, the ROU asset is subsequently measured throughout the lease term at the amount of the lease liability (that is the present value of the remaining lease payments), plus unamortized initial direct costs, plus (minus) any prepaid (accrued lease payments, less the unamortized balance of lease incentives received. Lease cost for lease payments is recognized on a straight-line basis over the lease term. Finance lease ROU assets are amortized on a straight-line basis over the shorter lease term or the remaining useful life of the asset.

Accounting policy election for short-term leases. The YMCA has elected for all underlying classes of assets, to not recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less, but greater than 1 month at lease commencement, and do not include an option to purchase the underlying asset that the YMCA is reasonably certain to exercise. The YMCA recognizes lease cost associated with its short-term leases on a straight-line basis over the lease term.

Note 2 – Summary of Significant Accounting Policies (Continued)

Leases (Continued)

Depreciation

ROU assets are amortized over the lesser of the economic useful life of the ROU asset or the term of the lease.

Property and equipment

As of December 31, 2025, other equipment assets under finance leases with a cost of $70,036 and accumulated amortization of $6,719, respectively, were included in property and equipment, net. As of December 31, 2024, other equipment assets under finance leases with a cost of $7,454 and accumulated amortization of $4,472, respectively, were included in property and equipment, net.

The YMCA had obligations as a lessee for fitness equipment and office equipment with initial noncancelable terms in excess of one year. These leases have a 48-month term. The YMCA classifies these leases as a financing leases under FASB ASC 842.

The components of lease cost and statements of functional expenses caption allowance for the year ended December 31, 2025, and 2024 are as follows:

	Statement of Financial Expenses Caption(s)	Year ended 12/31/2025	Year ended 12/31/2024
Finance lease cost:			
Amortization of ROU assets	Depreciation and amortization	$8,210	$2,204
Interest of lease liabilities	Interest expense	2,232	-
Total lease cost		$10,442	$2,204

Note 3 – Investments

Investments consist of cash and marketable securities and are presented in the financial statements at fair value based on quoted prices in active markets (all Level 1 measurements), and consist of the following at December 31, 2025, and 2024.

	2025	2024
Cash and cash equivalents	$302,353	$398,005
Mutual fund investments - stocks	573,789	498,625
Mutual fund investments - bonds	594,124	515,396
	$1,470,266	$1,412,026

Note 4 – Investment Return, Net

Investment income (loss) is composed of the following for the year ended December 31, 2025, and 2024:

	2025	2024
Interest and dividends	$81,654	$65,223
Net realized gain (loss)	1,684	14,891
Net unrealized gain (loss)	40,870	47,913
Investment fees	(6,779)	(6,664)
	$117,429	$121,363

Note 5 – Endowment Investments

Investments are managed by an endowment committee of the board of directors to produce income while preserving fund principal against the long-term effects of inflation. The target investment allocation is approximately 60% to equity and 40% to fixed income securities. Total investment income consists of interest, dividends, and realized and unrealized gains (losses) on investments. The return on investment approximated 8.31%. Income is to be used for operations as determined by the boards of directors.

Maine has adopted the Uniform Prudent Management of Institutional Funds Act, which requires that appreciation of original permanent endowment funds be considered restricted until appropriated. Changes in endowment investments were as follows for the years ended December 31, 2025, and 2024:

	2025 With Donor Restrictions		
	Subject to appropriation	Not subject to appropriation	Total
Endowment investments beginning of 2025	$541,602	$328,018	$869,620
Income – Investments	-	52,214	52,214
Gains (Losses)	-	39,179	39,179
Contributions	12,290	-	12,290
Endowment investments end of 2025	$553,892	$419,411	973,303
Non-Endowment Investments			496,963
Investments Total			$1,470,266

	2024 With Donor Restrictions		
	Subject to appropriation	Not subject to appropriation	Total
Endowment investments beginning of 2024	$455,626	$236,599	$692,225
Income – Investments	-	33,199	33,199
Gains (Losses)	-	58,220	58,220
Contributions	85,976	-	85,976
Endowment investments end of 2024	$541,602	$328,018	869,620
Non-Endowment Investments			542,406
Investments Total			$1,412,026

Note 6 – Property and Equipment

Property and equipment consists of the following:

	2025	2024
Land, building and improvements	$4,632,658	$4,632,658
Furniture and fixtures	627,276	461,588
Program equipment	211,187	261,373
Vehicles	61,562	61,562
Natatorium	3,964,175	3,959,161
	9,496,858	9,376,342
Less accumulated depreciation	(5,669,190)	(5,475,336)
	$3,827,668	$3,901,006

Note 7 - Leases

The following table represents supplemental balance sheet classification information related to finance leases as of December 31, 2025, and 2024:

	As of 12/31/2025	As of 12/31/2024
Assets		
Finance least right-of-use assets included in Property and equipment, net (classified as other equipment at cost, which has $6,719 and $4,472 for 2025 and 2024, respectively, of accumulated amortization)	$63,317	$2,982
Liabilities		
Finance lease liabilities included in Current portion of finance lease liabilities	14,819	$1,848
Finance lease liabilities included in long-term portion of finance lease liabilities	$45,959	$ -

Other information related to leases as of or for the year ended December 31, 2025, are as follows:

Weighted-average remaining lease term (years):	2025	2024
Finance leases	4.6 years	1 years
Weighted-average discount rate:		
Finance leases	8.661%	4.32%

Supplemental cash flow information for the year ended December 31, 2025, and 2024:

Cash paid for amounts included in the measurement of lease liabilities:	2025	2024
Operating cash flows – operating leases	$ -	$ -
Finance cash flows – finance leases	$13,281	$1,988

Note 7 – Leases (Continued)

Maturities of operating and finance lease liabilities as of December 31, 2025, and 2024, were as follows:

	2025			2024	
	Operating leases	Finance leases		Operating leases	Finance leases
2026	-	$19,504	2025	-	$1,988
2027	-	19,504	2026	-	-
2028	-	19,504	2027	-	-
2029	-	12,588	2028	-	-
2030	-	-	2029	-	-
Thereafter	-	-	Thereafter	-	-
Total lease payments	-	71,100	Total lease payments	-	1,988
Less: present value adjustment	-	(10,322)	Less: present value adjustment	-	-
Present value of lease liabilities	-	$60,778	Present value of lease liabilities	-	$1,988

Note 8 –Net Assets

Net assets with donor restrictions are as follows:

	2025	2024
Subject to expenditure for specific purpose		
Scholarships	$24,000	$24,000
Subject to organization spending policy and appropriation		
Endowment fund appreciation	529,892	517,602
Not subject to appropriation or expenditure		
Endowment fund principal	419,411	328,018
Total assets with donor restrictions	$973,303	$869,620

Net assets without donor restrictions are as follows:

Undesignated	$4,810,647	$4,721,416

Note 9 – Fundraising and Special Events

The YMCA engages in several different fundraising activities each year. Special events, including a golf tournament, canoe race and others generated net revenues during 2025 of $27,826 and 2024 of $27,176.

Note 10 – Retirement Plan

The YMCA has a defined contribution retirement plan covering employees meeting certain age and service requirements. The YMCA contributes 7% of participating employee's annual pay, and employees are required to contribute 5% of their annual pay. Retirement expense was $48,641 in 2025 and $41,908 in 2024.

Note 11 – National Percentage Support

The YMCA is required to pay support to the YMCA of the USA. The amount is determined based on revenues less allowable exclusions, for 2025 $41,237 had been paid, during 2024 amounts paid were $36,626.

Note 12 – Availability and Liquidity

The following represents the YMCA's financial assets at December 31, 2025, and 2024:

	2025	2024
Financial assets at year-end:		
Cash and cash equivalents	$596,737	$360,792
Investments	1,470,266	1,412,026
Total Financial Assets	2,067,003	1,772,818
Less amounts not available to be used within one year:		
Net assets with donor restrictions	973,303	869,620
Financial assets available to meet general expenditures over the next twelve months	$1,093,700	$903,198

Note 13 - Subsequent Events

The Organization has considered all subsequent events occurring through May 15, 2026, the date the financial statements were available to be issued.

Note 14 – Employee Retention Credit

The YMCA applied for payroll tax relief through the Employee Retention Tax Credit (ERC) established under the CARES Act in March 2020 to help employers retain employees during the Covid-19 pandemic. Response from the Internal Revenue Services was delayed and collection was uncertain. Therefore, receivables were not recorded until certainty of tax position was established. In July 2025 under the One Big Beautiful Bill Act (OBBBA) retroactive elimination of claims filed after January 31, 2024 and increased audit enforcement of ERC claims was established to speed proper claims. In July 2025 the Internal Revenue Service allowed and paid $173,578 of ERC claims from the YMCA for the 2021 payroll tax periods. This revenue was recognized in fiscal year 2025. Related expenses to process this claim were$44,539 and are included in professional fees.