



Coastal Kids Preschool

*Providing an inclusive, developmentally appropriate education
for preschool children of all incomes and abilities*

December 27, 2024

Town of Damariscotta
21 School St.
Damariscotta, ME 04543

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Sara Larson

DEVELOPMENT
DIRECTOR
Abi Iverson



Coastal Kids Preschool
is a 501(c)(3) nonprofit
organization, EIN 22-
3126832, and an Equal
Opportunity Employer.

Dear Board of Selectmen,

On behalf of Coastal Kids Preschool, I would like to express our sincere gratitude for your continued support of our mission. For three decades, we have been proud to offer a high-quality, developmentally appropriate preschool program that serves children of all incomes and abilities. We remain deeply committed to supporting children with disabilities and are honored to be the largest provider of early childhood special education services in midcoast Maine.

In the past year alone, we had the privilege of serving 119 children and their families, 18 of whom are from Damariscotta. Additionally, Coastal Kids Preschool employs 29 local residents in teaching and administrative roles, further strengthening our community ties. The availability of full-time childcare also supports countless family members who are part of the Damariscotta workforce.


As an accredited institution with the National Association for the Education of Young Children (NAEYC) and a Maine Roads to Quality (MRTQ) Rising Star Level 5 provider, we are committed to maintaining the highest standards of care and education. However, providing this level of excellence requires more than tuition alone. Tuition covers just 70% of our annual operating budget, with the remaining 30% supported by private donations, grants, and local government funding.

We are seeking a \$4,000 contribution from the Town of Damariscotta for the upcoming year to help cover essential programmatic costs, including operational expenses, facilities maintenance, classroom supplies, and financial aid. Your generous support enables us to continue providing affordable, inclusive education to local families who face financial barriers to quality care. While we are proud to serve as a vital community resource, demand for our services exceeds the available spaces in our program, and we currently have a waiting list.

We were grateful to have received \$2,000 a year from the Town of Damariscotta since 2020, and we respectfully request an increase in support to \$4,000. Your investment in Coastal Kids Preschool helps ensure that we can fulfill our mission to provide a nurturing, inclusive, and developmentally appropriate environment for all children in our community.

Thank you once again for your ongoing support and consideration. We deeply appreciate your commitment to the children and families of those that live and work in Damariscotta, and we look forward to continuing our partnership.

Sincerely,


Abi Iverson
Development Director

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Petition to the Town of Damariscotta to raise/appropriate funds for Coastal Kids Preschool

We, the undersigned registered voters residing in the Town of Damariscotta, request the following article to be submitted to the voters of Damariscotta at the June 2024 Annual Town Meeting.

Article: To see if the Town will vote to raise or appropriate the sum of \$ 4,000.00

	Printed Legal Name	Signature	
✓1	CATHERINE BEATRICE	Catherine Beatrice	4
✓2	CAMERON KINNEY	Cameron Kinney	
✓3	MATTHEW HOWARTH	Matthew Howarth	8
✓4	Niall Lessard	Niall Lessard	8
✓5	Katie Fearn	Katie Fearn	6
✓6	Charles Adams	Charles Adams	
✓7	Matthew Peters	Matthew Peters	
NR 8	Honora Boothby	Honora Boothby	Clark Apartn
NR 9	Benjamin Fearn	Benjamin Fearn	639 Main St.
NR 10	Lilia Hayford	Lilia Hayford	28 Water S.

COASTAL KIDS
Petition Submitted 11.06.24
Verified 12.03.24 11:25 AM
Contacted Abigail Iverson 12.04.24
312-608-8364
Find Policy for remaining submissions

Abigail Iverson @ coast

7-00+	tha
10-00+	ha
10-00+	ha
10-00+	ha
10-00+	ha
10-00+	ha

Circulator's Oath

I hereby make oath that I am the Circulator of this petition, that all the signatures to this petition were made and belief, each signature is that of the person it purports to be.

Signature of Circulator Deborah L. Amherst Printed Name ABIGAIL B. IVERSON

Signature of Notary Deborah L. Amherst Printed Name Deborah L. Amherst

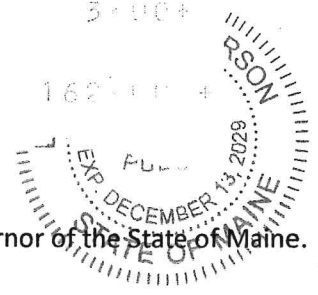
Subscribed to and sworn before me on this date: November 6, 2024

Registrar's Certification

Municipality: Damariscotta Total Valid 7 Total Invalid 3

I hereby certify that the names of all the petitioners listed as valid appear on the voting list as qualified to vote for the Governor of the State of Maine.

Signature of Registrar Rebecca J. Bartolotta Printed Name Rebecca J. Bartolotta

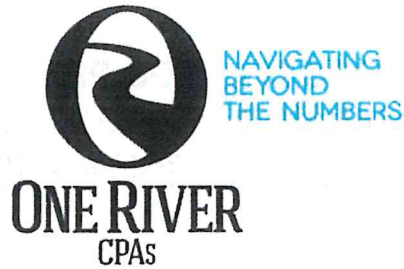




FINANCIAL STATEMENTS
June 30, 2023 and 2022

**COASTAL KIDS PRESCHOOL
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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To Board of Directors and Management
Coastal Kids Preschool
Damariscotta, ME

We have reviewed the accompanying financial statements of Coastal Kids Preschool (a nonprofit organization), which comprise the statements of financial position as of June 30, 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. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

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

Accountants' Responsibility

Our responsibility is to conduct the review engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide reasonable basis for our conclusion.

We are required to be independent of Coastal Kids Preschool and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountants' Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

One River, CPAs

Bath, ME
December 21, 2023

COASTAL KIDS PRESCHOOL
STATEMENTS OF FINANCIAL POSITION
June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Assets		
Current assets:		
Cash	\$ 209,163	186,431
Accounts receivable, net	7,688	15,016
Total current assets	<u>216,851</u>	<u>201,447</u>
Property and equipment:		
Property and equipment, net	1,056,272	1,066,864
Total property and equipment	<u>1,056,272</u>	<u>1,066,864</u>
Other assets:		
Right of use asset - finance lease	19,874	-
Total other assets	<u>19,874</u>	<u>-</u>
Total assets	\$ <u>1,292,997</u>	<u>1,268,311</u>
Liabilities and net assets		
Current liabilities:		
Current portion of lease liability - finance lease	\$ 4,309	-
Accounts payable	6,435	11,569
Accrued payroll	59,554	31,503
Deferred Revenue	7,802	-
Total current liabilities	<u>78,100</u>	<u>43,072</u>
Long-term liabilities:		
Lease liability - finance lease, net of current portion	15,721	-
Total long-term liabilities	<u>15,721</u>	<u>-</u>
Total liabilities	<u>93,821</u>	<u>43,072</u>
Net assets:		
Without donor restrictions	1,113,698	1,221,567
With donor restrictions	85,478	3,672
Total net assets	<u>1,199,176</u>	<u>1,225,239</u>
Total liabilities and net assets	\$ <u>1,292,997</u>	<u>1,268,311</u>

See independent accountants' review report and accompanying notes to the financial statements.

COASTAL KIDS PRESCHOOL
STATEMENTS OF ACTIVITIES

Years Ended June 30,

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains and other support:						
Tuition and fees	\$ 869,868	-	869,868	725,410	-	725,410
Contributions	84,816	17,050	101,866	1,141,056	3,285	1,144,341
Foundation grants	89,725	68,041	157,766	76,832	-	76,832
Federal and state grants	207,735	-	207,735	157,320	-	157,320
Events	-	-	-	319	-	319
Interest income	10,308	-	10,308	80	-	80
Net assets released from restrictions	3,285	(3,285)	-	4,113	(4,113)	-
Total revenues, gains and other support	<u>1,265,737</u>	<u>81,806</u>	<u>1,347,543</u>	<u>2,105,130</u>	<u>(828)</u>	<u>2,104,302</u>
Expenses and losses:						
Program services	1,036,010	-	1,036,010	1,079,515	-	1,079,515
Supporting services:						
General & administration	219,031	-	219,031	208,037	-	208,037
Fundraising	118,565	-	118,565	31,531	-	31,531
Total supporting services	<u>337,596</u>	<u>-</u>	<u>337,596</u>	<u>239,568</u>	<u>-</u>	<u>239,568</u>
Total expenses	<u>1,373,606</u>	<u>-</u>	<u>1,373,606</u>	<u>1,319,083</u>	<u>-</u>	<u>1,319,083</u>
Loss on early retirement of notes payable	-	-	-	8,280	-	8,280
Total expenses and losses	<u>1,373,606</u>	<u>-</u>	<u>1,373,606</u>	<u>1,327,363</u>	<u>-</u>	<u>1,327,363</u>
Change in net assets without donor restrictions	(107,869)	81,806	(26,063)	777,767	(828)	776,939
Net assets, beginning of year	<u>1,221,567</u>	<u>3,672</u>	<u>1,225,239</u>	<u>443,800</u>	<u>4,500</u>	<u>448,300</u>
Net assets, end of year	<u><u>\$ 1,113,698</u></u>	<u><u>85,478</u></u>	<u><u>1,199,176</u></u>	<u><u>1,221,567</u></u>	<u><u>3,672</u></u>	<u><u>1,225,239</u></u>

See independent accountants' review report and accompanying notes to the financial statements.

COASTAL KIDS PRESCHOOL
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2023

	Program Services	Supporting Services			Total Expenses
		General & Administration	Fundraising	Supporting Subtotal	
Expenses:					
Salaries and wages	\$ 814,125	148,023	95,157	243,180	1,057,305
Payroll taxes	71,685	13,034	8,379	21,413	93,098
Interest expense	-	-	585	585	585
Depreciation and amortization	40,720	2,262	2,262	4,524	45,244
Repairs and maintenance	29,930	1,663	1,663	3,326	33,256
Utilities	17,922	996	995	1,991	19,913
Classroom supplies and curriculum	16,918	-	-	-	16,918
Employee benefits	11,811	2,147	1,381	3,528	15,339
Insurance	15,182	2,847	948	3,795	18,977
Office expense	3,742	28,064	5,612	33,676	37,418
Office supplies	891	4,754	297	5,051	5,942
Professional fees	1,987	10,596	662	11,258	13,245
Professional development	2,906	528	340	868	3,774
Equipment rental	554	2,954	184	3,138	3,692
Events expense	-	-	100	100	100
Grant expenses	6,532	-	-	-	6,532
Advertising	1,105	1,104	-	1,104	2,209
Miscellaneous expenses	-	59	-	59	59
Total expenses	\$ 1,036,010	219,031	118,565	337,596	1,373,606

See independent accountants' review report and accompanying notes to the financial statements.

COASTAL KIDS PRESCHOOL
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2022

	Program Services	Supporting Services		Total Expenses
		General & Administration	Fundraising	
Expenses:				
Salaries and wages	\$ 824,861	149,071	19,876	993,808
Payroll taxes	65,958	11,920	1,590	79,468
Interest expense	28,301	2,130	-	30,431
Depreciation	41,476	2,183	-	43,659
Repairs and maintenance	33,566	1,767	-	35,333
Utilities	20,234	1,065	-	21,299
Classroom supplies and curriculum	14,180	-	-	14,180
Employee benefits	15,431	3,665	193	19,289
Insurance	12,179	2,673	-	14,852
Office expense	7,129	8,478	3,661	19,268
Office supplies	1,766	7,065	-	8,831
Professional fees	3,135	12,540	-	15,675
Professional development	2,175	242	-	2,417
Equipment rental	1,309	5,235	-	6,544
Events expense	-	-	5,422	5,422
Grant expense	1,738	-	-	1,738
Advertising	789	-	789	1,578
Uncollectible tuition expense	5,288	-	-	5,288
Miscellaneous expenses	-	3	-	3
Total expenses	\$ 1,079,515	208,037	31,531	1,319,083

See independent accountants' review report and accompanying notes to the financial statements.

COASTAL KIDS PRESCHOOL
STATEMENTS OF CASH FLOWS
Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Change in net assets	\$ (26,063)	776,939
Adjustment to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	45,244	43,659
Loss on early retirement of notes payable	-	8,280
(Increase) decrease in operating assets:		
Accounts receivable	7,328	2,763
Increase (decrease) in operating liabilities:		
Accounts payable	(5,134)	8,957
Accrued payroll	28,051	7,138
Deferred revenue	7,802	-
Net cash provided by operating activities	<u>57,228</u>	<u>847,736</u>
Cash flows from investing activities:		
Purchase of property and equipment	(31,595)	(20,167)
Net cash used in investing activities	<u>(31,595)</u>	<u>(20,167)</u>
Cash flows from financing activities:		
Principal payments on notes payable	-	(1,012,084)
Payments on finance lease liability	(2,901)	-
Net cash used in financing activities	<u>(2,901)</u>	<u>(1,012,084)</u>
Net increase (decrease) in cash	22,732	(184,515)
Cash, beginning of year	<u>186,431</u>	<u>370,946</u>
Cash, end of year	<u>\$ 209,163</u>	<u>186,431</u>
Supplemental disclosures of cash flow information:		
Cash paid during the year for:		
Interest	\$ <u>585</u>	<u>58,317</u>
Schedule of noncash financing activities:		
Addition of right of use asset and lease liability	\$ <u>22,931</u>	<u>-</u>

See independent accountants' review report and accompanying notes to the financial statements.

**COASTAL KIDS PRESCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Organization and Purpose

Coastal Kids Preschool (the Organization) provides developmentally appropriate educational opportunities for Lincoln County preschool children and is accredited by the National Association for the Education of Young Children, a voluntary accreditation system that sets professional standards for early childhood education programs and helps families identify high quality programs for their children. Coastal Kids Preschool serves children that are one and one-half years old to seven years old through a language based, developmentally appropriate curriculum in an inclusive setting. Approximately one-third of the licensed spaces are allocated for children with special needs. The school is supported primarily through tuition, donor contributions, and grants.

Basis of presentation

The financial statements of Coastal Kids Preschool have been prepared on an accrual basis in accordance with U.S. generally accepted accounting principles (U.S. GAAP).

Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Cash

For purposes of the statement of financial position and the statement of cash flows, cash consists of cash on deposit with banks.

Credit Risk

The Organization maintains cash balances with banks that are members of the Federal Deposit Insurance Corporation (FDIC). At times, the Organization's cash balances may have exceeded FDIC insured limits. The Organization has not experienced any losses in these accounts, and management does not believe it is exposed to significant risk.

Accounts Receivable

Accounts Receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written-off through a charge to the valuation allowance and a credit to trade accounts receivable. Allowance for doubtful accounts was \$0 at June 30, 2023 and 2022.

Property and Equipment

The Organization capitalizes property and equipment over \$1,000. Purchased property and equipment is capitalized at cost. The cost of depreciable property and equipment is depreciated using the straight-line method over the estimated useful lives ranging from five years for office equipment to forty years for buildings. Expenditures for maintenance, repairs, and minor renewals and betterments are expensed when incurred.

See independent accountants' review report.

COASTAL KIDS PRESCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets are recognized as revenue when the assets are placed in service. Gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue at the time of acquisition of such long-lived assets. The Organization reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, 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.

Revenue and Revenue Recognition

Revenue is recognized when earned. Tuition revenues come from contracts with customers. Tuition payments received in advance are deferred to the applicable period in which the related services are performed or expenditures are incurred, respectively. Tuition payments come from private pay customers, MaineCare and Maine Child Development Services (CDS). Billing occurs quarterly for MaineCare, bi-weekly for CDS, and monthly for private pay customers. Private pay customers' payments are generally due upon receipt, but a late charge will be incurred if received after the 15th of each month. Some customers can sign-up for weekly payments, whereby payment must be received by the first day of each week. During the year-ended June 30, 2023, the Organization changed procedures so that no services were provided to customers if they were a week behind on payments. The Organization does offer scholarships to low-income families that do not qualify for MaineCare. Once a scholarship application is submitted to the Organization and approved, the reduction in revenues is recorded.

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

Contributed Services

Directors and officers have made a significant contribution of their time to develop the organization and its programs. No amounts have been recognized in the accompanying statements of activities because the criteria for recognition of such efforts under U.S. GAAP have not been satisfied.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

See independent accountants' review report.

**COASTAL KIDS PRESCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Functional Allocation of Expenses, Continued

The expenses that are allocated include the following:

Expense	Method of Allocation
Salaries and wages	Time and effort
Employee benefits	Time and effort
Payroll taxes	Time and effort
Insurance	Square footage
Interest	Square footage
Professional fees	Time and effort
Utilities	Square footage
Office expense	Time and effort
Office supplies	Time and effort
Miscellaneous expenses	Time and effort
Depreciation	Square footage
Advertising	Time and effort

Income Tax Status

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. Management believes there are no uncertain tax positions with the Internal Revenue Service that require disclosure in its financial statements. The Organization is open to audit under the statute of limitations by the Internal Revenue Service and state taxing authorities for three years after filing of the related tax forms.

Recent Accounting Pronouncements

Leases

In February 2016, FASB issued ASU 2016-02, Leases. This new standard provides users of the financial statements a more accurate picture of the assets and the long-term financial obligations of entities that lease. The standard is for a dual-model approach; a lessee would account for most existing capital leases as Type A leases, and most existing operating leases as Type B leases. Both would be reported on the balance sheet of the entity for leases with a term exceeding 12 months. The Organization adopted this standard on July 1, 2022, using the modified retrospective method through cumulative effect adjustment to beginning net assets, however, it was determined there were no material changes, so there was no adjustment to beginning net assets recorded. The adoption of this standard resulted in a new asset and liability line for right of use assets and lease liabilities. Assets were increased by \$22,931 and liabilities were increased by \$22,931.

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.

See independent accountants' review report.

**COASTAL KIDS PRESCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

NOTE 2 – LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of June 30, 2023, comprise the following:

Cash, net of cash subject to donor restrictions	\$ 128,685
Accounts receivable, net	<u>7,688</u>
	<u>\$ 136,373</u>

As part of its liquidity plan, excess cash is maintained, and the Organization has two lines of credit with \$35,000 of availability at June 30, 2023.

NOTE 3 – PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30:

	<u>2023</u>	<u>2022</u>
Land	\$ 131,671	131,671
Land improvements	119,643	100,680
Building and building improvements	1,250,579	1,237,947
Equipment and furniture	<u>79,674</u>	<u>79,674</u>
	1,581,567	1,549,972
Accumulated depreciation	<u>(525,295)</u>	<u>(483,108)</u>
	<u>\$ 1,056,272</u>	<u>1,066,864</u>

NOTE 4 – LINES OF CREDIT

The Organization maintains a \$10,000 Overdraft Protection line of credit with Bath Savings Institution, which renews annually unless either party terminates the line of credit. This line is uncollateralized. Drawings on this line of credit are subject to interest at the *Wall Street Journal* Prime rate plus 1.09% (9.34% at June 30, 2022). There were no balances on this line of credit at June 30, 2023 and 2022.

The Organization maintains a \$25,000 revolving line of credit with Bath Savings Institution, which renews annually unless either party terminates the line of credit. This line is uncollateralized. Drawings on this line of credit are subject to interest at the *Wall Street Journal* Prime rate (8.25% at June 30, 2022). There were no balances on this line of credit at June 30, 2023 and 2022.

NOTE 5 – LEASE LIABILITY

The Organization leases a copier machine for the office, and started a new copier machine lease in October 2022, which the Organization determined to be a finance lease. The Organization assesses whether an arrangement qualifies as a lease (i.e., conveys the right to control the use of an identified asset for a period of time in exchange for consideration) at inception and only reassesses its determination if the terms and conditions of the arrangement are changed. The Organization has elected to account for its lease and non-lease components as a single lease. Leases with an initial term of 12 months or less are not recorded on the statements of financial position, which the prior copier machine lease was determined to qualify under. The new copier machine lease has a remaining term of 4.3 years at June 30, 2023 and has been discounted at 4.14%, by electing to use the risk-free treasury rate.

See independent accountants' review report.

**COASTAL KIDS PRESCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

NOTE 5 – LEASE LIABILITY, CONTINUED

Maturities of the finance lease liability at June 30, 2023 are as follows:

Years ending June 30:		
2024	\$	5,040
2025		5,040
2026		5,040
2027		5,040
2028		1,680
Total lease payments		21,840
Less: interest		(1,810)
Present value of lease liability	\$	20,030

The following summarizes the line items in the statements of activities which include the components of lease expense for the year ended June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Short-term operating lease expense included in management and general expenses	\$ <u>1,424</u>	<u>5,695</u>
Finance lease costs:		
Amortization of lease assets included in management and general expenses	\$ 3,057	-
Interest on lease liability included in management and general expenses	585	-
Total finance lease costs	\$ <u>3,642</u>	<u>-</u>

The operating cash outflows from finance leases consisted of \$585 for the year ended June 30, 2023.

NOTE 6 – RESTRICTIONS ON NET ASSETS

Net assets with donor restrictions were as follows at June 30:

Specific Purpose	<u>2023</u>	<u>2022</u>
Development assistant	\$ 387	387
Sea Otter classroom	5,000	-
Scholarships	19,477	3,285
Scholarship and professional development fund	46,614	-
Playground	14,000	-
	\$ <u>85,478</u>	<u>3,672</u>

Net assets released from net assets with donor restrictions are as follows for the years ended June 30:

	<u>2023</u>	<u>2022</u>
Satisfaction of Purpose Restrictions		
Development Assistant	\$ -	4,113
Scholarships	3,285	-
	\$ <u>3,285</u>	<u>4,113</u>

See independent accountants' review report.

**COASTAL KIDS PRESCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

NOTE 7 – CONCENTRATION OF REVENUE SOURCES

Approximately 48% of the Organization's revenues, gains and other support are provided from one donor for the year ended June 30, 2022.

See independent accountants' review report.