



FINANCIAL STATEMENTS

June 30, 2021 and 2020

With Independent Auditor's Report





## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Maine Seacoast Mission

We have audited the accompanying financial statements of Maine Seacoast Mission (the Mission), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Mission as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

*Berry Dunn McNeil & Parker, LLC*

Bangor, Maine  
November 18, 2021

**MAINE SEACOAST MISSION**  
**Statements of Financial Position**  
**June 30, 2021 and 2020**

**ASSETS**

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents (Notes 2 and 13)	\$ 921,836	\$ 331,788
Cash received and held for specific projects (Note 2)	832,132	719,871
Accounts receivable (Note 2)	5,417	839
Prepaid expenses	153,190	126,767
Contributions and grants receivable, net (Notes 2 and 3)	155,279	10,310
Property and equipment, net of accumulated depreciation (Notes 2 and 4)	3,882,467	3,806,640
Property held for sale	-	46,482
Split-interest agreements (Notes 6 and 9)	639,834	671,541
Beneficial interest in perpetual trusts (Notes 5 and 9)	6,574,867	5,201,127
Investments (Notes 2, 7, 8, and 9)	<u>52,293,786</u>	<u>43,650,289</u>
 Total assets	 <u>\$ 65,458,808</u>	 <u>\$ 54,565,654</u>

**LIABILITIES AND NET ASSETS**

	<u>2021</u>	<u>2020</u>
Accounts payable and accrued expenses	\$ 248,741	\$ 305,130
Deferred revenue	111,765	50,750
Gift annuity payable (Note 7)	<u>8,903</u>	<u>9,312</u>
 Total liabilities	 <u>369,409</u>	 <u>365,192</u>
 Net assets		
Without donor restrictions		
Board-designated endowment funds (Note 8)	30,171,117	25,162,642
Undesignated funds	<u>4,686,376</u>	<u>2,554,405</u>
 Total net assets without donor restrictions	 34,857,493	 27,717,047
 Net assets with donor restrictions (Notes 2, 8, 10, and 11)	 <u>30,231,906</u>	 <u>26,483,415</u>
 Total net assets	 <u>65,089,399</u>	 <u>54,200,462</u>
 Total liabilities and net assets	 <u>\$ 65,458,808</u>	 <u>\$ 54,565,654</u>

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The accompanying notes are an integral part of these financial statements.

**MAINE SEACOAST MISSION**

**Statement of Activities**

**Year Ended June 30, 2021**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Operating revenue, gains, and other support			
Contributions and grants (Note 2)	\$ 1,746,026	\$ 1,300,104	\$ 3,046,130
Special events	124,030	-	124,030
Loss on sale of property and equipment	(5,482)	-	(5,482)
Program and other	1,013	-	1,013
Investment income appropriated for operations (Note 8)	1,968,569	-	1,968,569
Net assets released from restrictions (Note 11)	<u>1,044,945</u>	<u>(1,044,945)</u>	<u>-</u>
Total operating revenue, gains, and other support	<u>4,879,101</u>	<u>255,159</u>	<u>5,134,260</u>
Operating expenses			
Program	3,241,903	-	3,241,903
Management and general	412,794	-	412,794
Development and fundraising	<u>372,813</u>	<u>-</u>	<u>372,813</u>
Total operating expenses	<u>4,027,510</u>	<u>-</u>	<u>4,027,510</u>
Net operating income (Note 2)	<u>851,591</u>	<u>255,159</u>	<u>1,106,750</u>
Non-operating income (loss)			
Net assets released from restrictions - capital projects (Note 11)	1,483,517	(1,483,517)	-
Endowment contributions	-	165,280	165,280
Change in value of split-interest agreements (Note 6)	-	(31,707)	(31,707)
Change in value of beneficial interest in perpetual trusts (Note 9)	-	1,373,739	1,373,739
Net investment income greater than withdrawals for operations (Notes 2 and 8)	<u>4,805,338</u>	<u>3,469,537</u>	<u>8,274,875</u>
Net non-operating income	<u>6,288,855</u>	<u>3,493,332</u>	<u>9,782,187</u>
Change in net assets	<u>7,140,446</u>	<u>3,748,491</u>	<u>10,888,937</u>
Net assets, beginning of year	<u>27,717,047</u>	<u>26,483,415</u>	<u>54,200,462</u>
Net assets, end of year	<u>\$ 34,857,493</u>	<u>\$ 30,231,906</u>	<u>\$ 65,089,399</u>

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The accompanying notes are an integral part of these financial statements.

**MAINE SEACOAST MISSION**

**Statement of Activities**

**Year Ended June 30, 2020**

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
Operating revenue, gains, and other support			
Contributions and grants (Note 2)	\$ 2,154,062	\$ 1,092,951	\$ 3,247,013
Special events	170,290	-	170,290
Gain on sale of property and equipment	22,523	-	22,523
Program and other	45,665	-	45,665
Investment income appropriated for operations (Note 8)	1,764,731	-	1,764,731
Net assets released from restrictions (Note 11)	<u>907,460</u>	<u>(907,460)</u>	<u>-</u>
Total operating revenue, gains, and other support	<u>5,064,731</u>	<u>185,491</u>	<u>5,250,222</u>
Operating expenses			
Program	3,148,558	-	3,148,558
Management and general	460,424	-	460,424
Development and fundraising	<u>377,582</u>	<u>-</u>	<u>377,582</u>
Total operating expenses	<u>3,986,564</u>	<u>-</u>	<u>3,986,564</u>
Net operating income (Note 2)	<u>1,078,167</u>	<u>185,491</u>	<u>1,263,658</u>
Non-operating income (loss)			
Endowment contributions	-	48,390	48,390
Contributions for capital projects	-	25,100	25,100
Change in value of split-interest agreements (Note 6)	-	(30,170)	(30,170)
Change in value of beneficial interest in perpetual trusts (Note 9)	-	1,997	1,997
Net investment income less than withdrawals for operations (Notes 2 and 8)	<u>(260,280)</u>	<u>(262,470)</u>	<u>(522,750)</u>
Net non-operating loss	<u>(260,280)</u>	<u>(217,153)</u>	<u>(477,433)</u>
Change in net assets	<u>817,887</u>	<u>(31,662)</u>	<u>786,225</u>
Net assets, beginning of year	<u>26,899,160</u>	<u>26,515,077</u>	<u>53,414,237</u>
Net assets, end of year	<u>\$ 27,717,047</u>	<u>\$ 26,483,415</u>	<u>\$ 54,200,462</u>

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The accompanying notes are an integral part of these financial statements.

**MAINE SEACOAST MISSION**

**Statement of Functional Expenses**

**Year Ended June 30, 2021**

	<b>Youth Development Programs</b>	<b>Direct Service Programs</b>	<b>Island Service Programs</b>	<b>Total Programs</b>	<b>Management and General</b>	<b>Development and Fundraising</b>	<b>Total Expenses</b>
Salaries and benefits (Note 12)	\$ 779,736	\$ 347,721	\$ 451,926	\$ 1,579,383	\$ 508,112	\$ 346,919	\$ 2,434,414
Contract labor	-	17,081	2,900	19,981	-	-	19,981
Travel and training	17,306	32,111	5,758	55,175	9,047	1,222	65,444
Subscriptions and registrations	-	-	170	170	8,156	4,438	12,764
Utilities	-	60,963	2,191	63,154	2,969	-	66,123
Maintenance and repairs	92,250	62,687	26,310	181,247	38,772	5,949	225,968
Busing	17,566	-	-	17,566	-	-	17,566
Depreciation	18,740	51,418	94,467	164,625	13,017	-	177,642
Professional fees	-	-	11,275	11,275	94,237	52,500	158,012
Food and events	4,502	38,815	5,238	48,555	462	12,086	61,103
Board expense	-	-	-	-	1,341	-	1,341
Scholarships and grants	154,500	-	-	154,500	-	-	154,500
Grants to churches	-	-	18,500	18,500	-	-	18,500
Other direct program expense	64,017	168,255	97,189	329,461	5,597	4,286	339,344
Insurance	-	49,012	-	49,012	-	-	49,012
Advertising and marketing	-	-	-	-	-	94,740	94,740
Printing	-	-	-	-	5,872	15,492	21,364
Postage and shipping	-	-	-	-	4,757	11,748	16,505
Supplies	7,309	65,517	-	72,826	13,849	-	86,675
Bank fees	-	-	-	-	6,512	-	6,512
Administrative overhead	<u>242,155</u>	<u>139,731</u>	<u>94,587</u>	<u>476,473</u>	<u>(299,906)</u>	<u>(176,567)</u>	<u>-</u>
<b>Total expenses</b>	<b><u>\$ 1,398,081</u></b>	<b><u>\$ 1,033,311</u></b>	<b><u>\$ 810,511</u></b>	<b><u>\$ 3,241,903</u></b>	<b><u>\$ 412,794</u></b>	<b><u>\$ 372,813</u></b>	<b><u>\$ 4,027,510</u></b>

The accompanying notes are an integral part of these financial statements.

**MAINE SEACOAST MISSION**

**Statement of Functional Expenses**

**Year Ended June 30, 2020**

	Youth Development Programs	Direct Service Programs	Island Service Programs	Total Programs	Management and General	Development and Fundraising	Total Expenses
Salaries and benefits (Note 12)	\$ 758,362	\$ 371,216	\$ 391,555	\$ 1,521,133	\$ 501,424	\$ 323,230	\$ 2,345,787
Contract labor	5,713	16,449	375	22,537	-	-	22,537
Travel and training	31,510	24,702	21,184	77,396	13,439	6,134	96,969
Subscriptions and registrations	-	-	3,346	3,346	16,675	4,619	24,640
Utilities	-	51,643	5,315	56,958	9,806	-	66,764
Maintenance and repairs	31,251	46,326	16,011	93,588	40,301	-	133,889
Busing	37,021	-	-	37,021	-	-	37,021
Depreciation	28,606	53,635	56,604	138,845	14,974	4,553	158,372
Professional fees	-	11,280	10,380	21,660	79,391	51,850	152,901
Food and events	6,791	53,070	4,896	64,757	2,408	51,285	118,450
Board expense	-	-	-	-	915	-	915
Scholarships and grants	169,650	-	-	169,650	-	-	169,650
Grants to churches	-	-	36,400	36,400	-	-	36,400
Other direct program expense	56,365	259,865	77,577	393,807	4,782	2,987	401,576
Insurance	-	10,596	2,090	12,686	41,012	-	53,698
Advertising and marketing	-	-	-	-	-	68,305	68,305
Printing	-	-	-	-	2,263	22,580	24,843
Postage and shipping	-	-	-	-	5,362	8,603	13,965
Supplies	9,973	1,525	-	11,498	17,558	-	29,056
Bank fees	-	-	-	-	5,826	-	5,826
Administrative overhead	250,922	152,765	83,589	487,276	(315,712)	(171,564)	-
Uncollectible pledges	-	-	-	-	20,000	5,000	25,000
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total expenses	\$ <u>1,386,164</u>	\$ <u>1,053,072</u>	\$ <u>709,322</u>	\$ <u>3,148,558</u>	\$ <u>460,424</u>	\$ <u>377,582</u>	\$ <u>3,986,564</u>

The accompanying notes are an integral part of these financial statements.

**MAINE SEACOAST MISSION**

**Statements of Cash Flows**

**Year Ended June 30, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities		
Change in net assets	<b>\$ 10,888,937</b>	\$ 786,225
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	<b>177,642</b>	158,372
(Gain) loss on sale of property and equipment	<b>5,482</b>	(22,523)
Net realized and unrealized gain on investments	<b>(9,377,627)</b>	(208,864)
Change in value of beneficial interest in perpetual trusts (Note 9)	<b>(1,373,739)</b>	(1,997)
Change in value of split-interest agreements (Note 6)	<b>31,707</b>	30,170
Contributions restricted for long-term purposes	<b>(165,280)</b>	(73,490)
(Increase) decrease in		
Accounts receivable	<b>(4,578)</b>	2,296
Prepaid expenses	<b>(26,423)</b>	15,387
Contributions and grants receivable (Notes 2 and 3)	<b>(144,969)</b>	33,489
Increase (decrease) in		
Accounts payable and accrued expenses	<b>(56,389)</b>	(94,581)
Deferred revenue	<b>61,015</b>	(30,660)
Gift annuity payable (Note 7)	<b>(409)</b>	(416)
Net cash provided by operating activities	<b><u>15,369</u></b>	<u>593,408</u>
Cash flows from investing activities		
Purchases of investments	<b>(18,009,878)</b>	(13,506,356)
Proceeds from sale of investments	<b>18,744,007</b>	13,428,300
Purchase of property and equipment	<b>(253,469)</b>	(1,712,084)
Proceeds from sale of property and equipment	<b>41,000</b>	47,243
Net cash provided (used) by investing activities	<b><u>521,660</u></b>	<u>(1,742,897)</u>
Cash flows from financing activities		
Proceeds from contributions restricted for long-term purposes	<b><u>165,280</u></b>	<u>92,090</u>
Net cash provided by financing activities	<b><u>165,280</u></b>	<u>92,090</u>
Net increase (decrease) in cash and cash equivalents	<b>702,309</b>	(1,057,399)
Cash and cash equivalents, beginning of year	<b><u>1,051,659</u></b>	<u>2,109,058</u>
Cash and cash equivalents, end of year	<b><u>\$ 1,753,968</u></b>	<u>\$ 1,051,659</u>
Additional disclosure:		
Cash and cash equivalents	<b>\$ 921,836</b>	\$ 331,788
Cash received and held for specific projects	<b><u>832,132</u></b>	<u>719,871</u>
	<b><u>\$ 1,753,968</u></b>	<u>\$ 1,051,659</u>
Noncash transactions		
Property, plant, and equipment in accounts payable at year-end	<b><u>\$ -</u></b>	<u>\$ 148,089</u>

The accompanying notes are an integral part of these financial statements.



# MAINE SEACOAST MISSION

## Notes to Financial Statements

June 30, 2021 and 2020

### 1. Purpose of Organization and Nature of Activities

The Maine Seacoast Mission (the Mission) provides youth development, health, spiritual, and outreach programs in coastal and island communities from Mid-Coast to Downeast Maine. Rooted in a history of compassionate service and mutual trust, the Mission seeks to strengthen these communities by educating youth, enabling families, and promoting healthy lifestyles.

The following is a summary of the Mission's activities:

#### Youth Development Programs

##### The EdGE

Students in grades kindergarten through twelve are helped to gain the skills they need to succeed as students and to build their character and confidence through a multi-site in-school, after-school, and summer program.

##### Scholarship Program

Grants are provided to students from island and coastal communities to enable them to attend college, technical schools, and adult education programs.

#### Direct Service Programs

##### Downeast Campus Community Outreach

People in need in Downeast Maine receive a variety of services operating out of the Downeast Campus in Cherryfield, Maine. Services include: a food pantry, a senior companion program, donor-directed fuel and crisis assistance, collaboration with visiting church groups and local residents to rebuild and weatherize local homes, access to spiritual walking trails, and arranging various community-building gatherings.

##### Christmas Program

The Mission distributed approximately 13,400 donated gifts during the Christmas season to needy individuals on the islands and in coastal communities of Hancock and Washington counties.

#### Island Service Programs

##### Island Outreach

Pastoral counseling, worship services, recreation activities, fellowship gatherings, and middle school student activities are provided to residents of off-shore islands of Mid-Coast and Downeast Maine.

# MAINE SEACOAST MISSION

## Notes to Financial Statements

June 30, 2021 and 2020

### Island Church Support

Financial support is provided to churches on three of the islands, assisting these churches in providing year-round church services, pastoral counseling, and general support to the island communities.

### Island Health Services

The Mission's Island Health Service Registered Nurse (RN) and staff provide personal health visitations and access to educational and health screening clinics to island residents. The RN is able to connect island residents with health providers on the mainland through the use of "telemedicine" equipment. Telemedicine enables healthcare facilities to provide services to island patients through the use of highly technical telecommunication equipment provided by the Mission and with the assistance of the Mission's RN.

## 2. Summary of Significant Accounting Policies

### Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles (U.S. GAAP) 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. Actual results could differ from those estimates.

### Basis of Presentation

Net assets and revenues, expenses, gains and losses are classified as follows based on the existence or absence of donor-imposed restrictions as indicated below:

**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 Mission. These net assets may be used at the discretion of the Mission'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 Mission or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

### Income Taxes

The Internal Revenue Service has determined that the Mission is exempt from taxation under Internal Revenue Code Section 501(c)(3) and, accordingly, no provision for income taxes has been reflected in these financial statements.

# MAINE SEACOAST MISSION

## Notes to Financial Statements

June 30, 2021 and 2020

### Definition of Operations

The statements of activities include net operating income (loss). Changes in net assets which are excluded from net operating income (loss), include net investment gains greater than (less than) withdrawals for operations, investment income withdrawn for capital projects, endowment contributions and the change in value thereof, contributions for capital projects and net assets released from restriction for those projects, gain on sale of property and equipment, and the change in the value of beneficial interest in perpetual trusts and split-interest agreements.

### Cash and Cash Equivalents

The Mission considers all highly-liquid debt instruments with an original maturity of three months or less to be cash or cash equivalents. The Mission maintains its cash and cash equivalents in bank deposit accounts which, at times, may exceed federally insured limits. The Mission has not experienced any losses in such accounts. The Mission believes it is not exposed to any significant risk with respect to these accounts.

Cash received and held for specific projects is restricted for the following purposes as of June 30:

	<u>2021</u>	<u>2020</u>
Education/Scholarships	\$ 156,553	\$ 11,805
EdGE	248,926	367,950
Downeast Campus programs	303,503	179,562
Island Outreach	3,712	3,712
Island Health Services	45,670	75,000
Sunbeam "Refit" project	-	8,305
General	8,415	4,628
Development/Marketing	<u>65,353</u>	<u>68,909</u>
Total cash received and held for specific projects	\$ <u>832,132</u>	\$ <u>719,871</u>

### Accounts, Contributions, and Grants Receivable

Accounts, contributions, and grants receivable are stated at the amount management expects to collect. As of June 30, 2021 and 2020, a general allowance has not been established. If any receivable becomes uncollectible, they will be charged to operations when that determination is made.

Credit is extended at regular terms without collateral.

### Property and Equipment

Purchased property and equipment are recorded at cost. Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Such donations are reported as support without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as support with donor restrictions. Absent donor restrictions regarding how long those donated assets must be

# MAINE SEACOAST MISSION

## Notes to Financial Statements

June 30, 2021 and 2020

maintained, the Mission reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Mission reclassifies net assets with donor restrictions to net assets without donor restrictions at that time. Property and equipment is depreciated using the straight-line method over its estimated useful life. It is the Mission's policy to capitalize all property and equipment with cost exceeding \$2,000 and a useful life of more than one year.

### **Historical Collections**

The Mission maintains and protects collections of donated items of historical value related to the Mission dating back to the early 1900's. The items include an extensive hooked rugs collection, works of art, and models of each of the Sunbeam ships utilized in Island Services. The collections are utilized for occasional public displays and are being preserved for educating future generations about the history of the Mission. In accordance with the Mission's policy, these donated items have not been capitalized.

### **Investments**

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the statement of financial position based on quoted market prices. Other investments, for which no such quotations or valuations are readily available, are carried at fair value as estimated by management using values provided by external investment managers. The Mission reviews and evaluates the valuations provided by the investment managers and believes that these valuations are a reasonable estimate of fair value at June 30, 2021 and 2020, but are subject to uncertainty and, therefore, may differ from the value that would have been used had a ready market for the investments existed.

Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in value in the near term would materially affect the amounts reported in the statement of financial position.

### **Contributions**

The Mission reports contributions of cash or other assets, including unconditional promises to give, in the statement of activities when the cash, unconditional promise, or other assets are received. Unconditional promises to give are reported at their net realizable value. Significant noncash contributions are recorded at their fair value at the date of receipt.

The Mission reports contributions as support with donor restrictions if the contributions are received with donor restrictions that limit the use of the donated assets and the restrictions are not met within the same reporting period. Contributions subject to donor imposed restrictions that are met in the same reporting period are reported as support without donor restrictions. When a donor 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 statement of activities as net assets released from restrictions.

The Mission received 16% of the contributions from a single donor during the year ended June 30, 2021 and 30% of the contributions from a single donor during the year ended June 30, 2020.

# MAINE SEACOAST MISSION

## Notes to Financial Statements

June 30, 2021 and 2020

### **Contributed Services**

It is estimated that over 183 individuals during the year ended June 30, 2021 and 420 individuals during the year ended June 30, 2020 volunteered their time performing a variety of tasks that assist the Mission. The average volunteer worked approximately 41 hours during the year ended June 30, 2021 and 36 hours during the year ended June 30, 2020, which is over 7,500 and 15,200 volunteer hours over the years, respectively. These contributed services are not recognized in the financial statements as they did not meet the criteria for recognition under U.S. GAAP.

### **Functional Expenses**

The Mission allocates its expenses on a functional basis among its various programs. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The Mission allocates employee salaries, payroll taxes and benefits for the administrative and development departments, as well as professional fees paid to certain outside contractors. These costs are allocated to the various programs based on a combined percentage basis utilizing the following information related to each of the individual programs: the estimate of time and effort provided by each of the employees of the administrative and development departments and the outside contracted professionals, the total number of the program's employees, the program's development revenue raised, the units of computer hardware utilized, and the total number of accounting transactions processed. Total program expenses for the year ended June 30, 2021, excluding administrative overhead allocation of \$476,473, were \$2,765,430. Total program expenses for the year ended June 30, 2020, excluding administrative overhead allocation of \$487,276, were \$2,661,282.

### **Accounting Standards Adoption**

In 2021, the Mission adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2014-09 (Topic 606), *Revenue from Contracts with Customers*, which provides guidance for revenue recognition that superseded the revenue recognition requirements of FASB Accounting Standards Codification (ASC) 605, *Revenue Recognition*, and most industry specific guidance. The Mission's adoption of FASB ASU No. 2014-09 did not have an impact on the Mission's existing revenue recognition policies or application thereof.

### **Subsequent Events**

For purposes of the preparation of these financial statements in conformity with U.S. GAAP, the Mission has considered transactions or events occurring through November 18, 2021, which was the date that the financial statements were available to be issued.

# MAINE SEACOAST MISSION

## Notes to Financial Statements

June 30, 2021 and 2020

### Uncertainty

During 2020 and 2021, in response to the COVID-19 global pandemic, local, U.S., and world governments encouraged self-isolation to curtail the spread of COVID-19 by mandating the temporary shut-down of business in many sectors and imposing limitations on travel and the size and duration of group meetings. Most sectors experienced disruption to business operations and may feel further impacts related to decreased revenue, volatility in investment returns, and reduced philanthropic support. There continues to be uncertainty surrounding the duration of the pandemic, its potential economic ramifications, and any government actions to mitigate them. The extent of the impact of COVID-19 on business and financial results will depend on future developments. Accordingly, while management cannot quantify the financial and other impacts to the Mission as of November 18, 2021, management believes that a material impact on the Mission's financial position and results of future operations is reasonably possible.

### 3. Contributions and Grants Receivable

Contributions and grants receivable consist of unconditional promises to give toward a prior capital campaign to renovate the Sunbeam, program support and general Mission uses. The Mission has been named in certain bequests that have not been recorded as they have not yet been through probate. Contributions and grants receivable consist of the following:

	<u>2021</u>
Within one year	\$ 83,860
Between one and five years	<u>75,000</u>
Total contributions and grants receivable	158,860
Less discounts to net present value at 5.00%	<u>(3,581)</u>
Net contributions and grants receivable	<u>\$ 155,279</u>

All contributions at June 30, 2020 were due within one year.

# MAINE SEACOAST MISSION

## Notes to Financial Statements

June 30, 2021 and 2020

### 4. Property and Equipment

As of June 30, property and equipment consists of:

	<u>2021</u>	<u>2020</u>
Land and improvements	\$ 203,531	\$ 203,531
Capital lease	7,460	7,460
Building and improvements	1,612,333	1,612,333
Vehicles	75,183	104,982
Ships	3,703,133	1,422,160
Equipment	161,731	161,731
Information technology	827,587	827,587
Furniture and fixtures	260,644	260,644
Projects in process	-	2,027,504
	<u>6,851,602</u>	6,627,932
Less accumulated depreciation	<u>(2,969,135)</u>	<u>(2,821,292)</u>
Net property and equipment	<u>\$ 3,882,467</u>	<u>\$ 3,806,640</u>

### 5. Beneficial Interest in Perpetual Trusts

The Mission is the beneficiary of various trusts created by donors, the assets of which are not in the possession of the Mission. The Mission has legally enforceable rights or claims to such assets, including the right to income therefrom. The Mission has reported the fair value of the underlying trust assets, which approximates the present value of the expected future cash flows of these trusts, as the beneficial interest in perpetual trusts in the statement of financial position. Net realized gains and losses in trusts held by others are reported as changes in net assets with donor restrictions based on the Mission's interpretation of the trustees' policy on income appropriation. Appreciation in such funds is not available for expenditure by the Mission unless the separate trustees of those funds elect to appropriate it. The fair value at June 30, 2021 and 2020 of funds held in trust by others was \$6,574,867 and \$5,201,127, respectively. Income received as distributions for the year ended June 30, 2021 and 2020 of funds held in trust by others was \$153,398 and \$189,512, respectively, and are included with contributions and grants without donor restrictions in the statement of activities.

# MAINE SEACOAST MISSION

## Notes to Financial Statements

June 30, 2021 and 2020

### 6. Split-Interest Agreements

The Mission is a charitable remainder beneficiary for an irrevocable charitable remainder unitrust in the amount of \$100,000, to be paid upon dissolution of the trust. Further, the Mission is the income beneficiary for two charitable lead unitrusts. Each trust pays the Mission 4% of the trust's fair market value as of January 1 of each year. The first unitrust terminates in 2029, and the second terminates in 2039. The present value of the future income stream from these trusts, using a 5% discount rate, was \$539,834 and \$571,541, respectively at June 30, 2021 and 2020. Income distributions received from the trusts, which are restricted by the donor for the EdGE program, totaled \$71,003 and \$66,958, respectively, for the years ended June 30, 2021 and 2020, and are included in contributions and grants in the statement of activities.

### 7. Charitable Gift Annuity

In a prior year, the Mission received a contribution under a charitable gift annuity agreement. The Mission is to remit payments to the income beneficiary in various installments for the remainder of the beneficiary's life. The present value of the annuity payment liability was \$8,903 and \$9,312 at June 30, 2021 and 2020, respectively. The original amount donated under this charitable gift annuity agreement was \$25,080 and the value was \$11,654 at June 30, 2021 and \$11,449 at June 30, 2020, and is included in investments.

### 8. Investments

Investments and investment income as of and for the years ended June 30 consist of:

	<u>2021</u>	<u>2020</u>
Cash investments	\$ 920,821	\$ 1,422,472
Domestic equity funds	17,056,491	13,889,189
International equity funds	10,012,446	9,036,004
Fixed income securities and funds	15,309,769	13,130,775
Hedge funds	2,343,198	1,892,424
Private equity fund	<u>6,651,061</u>	<u>4,279,425</u>
Total investments	<u>\$ 52,293,786</u>	<u>\$ 43,650,289</u>
Investment income appropriated for operations	\$ 1,968,569	\$ 1,764,731
Net investment income greater than (less than) withdrawals for operations	<u>8,274,875</u>	<u>(522,750)</u>
Total investment income	<u>\$ 10,243,444</u>	<u>\$ 1,241,981</u>

At June 30, 2021 and 2020, the Mission held approximately \$12,820,000 and \$9,145,000, respectively, of its total investments in an S&P 500 Index Fund (a domestic equity fund). For the years ended June 30, 2021 and 2020, investment management and administrative fees totaled \$73,140 and \$75,032, respectively.



# MAINE SEACOAST MISSION

## Notes to Financial Statements

June 30, 2021 and 2020

The Mission adopted a policy to annually allocate investment earnings to operations. As noted below, funds are invested with a goal to achieve a real (adjusted for inflation) total long-term return, net of investment management and administrative fees, of at least 5%. The Mission's policy of annual spending is not to exceed 5% of the previous twelve quarters' average balance of investments.

The long-term investment objective of the Mission is to preserve and enhance the real value of the financial assets of the Mission over time, in order to provide a sufficient rate of return for fulfilling the philanthropic purposes of the Mission. Assets are to be invested prudently in diversified investments that seek to provide total return. Investment decisions are made considering the overall portfolio, resources available, and the purpose of the endowment. To accomplish this objective, endowment funds are invested for growth in principal and income, with a goal to achieve a real (adjusted for inflation) total long-term return, net of investment management and administrative fees, of at least 5%.

To achieve its investment objective and to control risk, the Mission's portfolio is diversified across multiple asset classes. The Mission's long-term commitment to these asset classes is as follows:

<u>Asset Class</u>	<u>Range</u>	<u>Allocation Target</u>
Investment Grade Fixed Income	5% - 35%	20%
Other Fixed Income*	0% - 19%	9%
U.S. Equity	21% - 41%	31%
Non-U.S. Equity	9% - 29%	19%
Hedge Funds	0% - 15%	5%
Private Equity	0% - 30%	15%

\* Other fixed income may include non-U.S. investment grade debt, high-yield bonds, and emerging markets debt preferred stocks.

The Mission has interpreted the State of Maine Uniform Prudent Management of Institutional Funds Act (the Act) as requiring the preservation of the contributed value of the donor-restricted endowment funds absent explicit donor restrictions to the contrary. As a result of this interpretation, the Mission classifies as net assets with donor restrictions (1) the original value of gifts donated to the permanent endowment, (2) the original value of subsequent gifts to the permanent endowment, and (3) 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. If the donor-restricted endowment assets earn investment returns beyond these amounts, that excess is available for appropriation and, therefore, classified as net assets with donor restrictions until appropriated by the Board of Directors for expenditure. Funds designated by the Board of Directors to function as endowments are classified as net assets without donor restrictions. Funds designated by the Board of Directors are maintained for general operating reserves, scholarships, the Sunbeam, and the Island Health program.

**MAINE SEACOAST MISSION**

**Notes to Financial Statements**

**June 30, 2021 and 2020**

The board had designated funds for the following purposes:

	<u>2021</u>	<u>2020</u>
Sunbeam	\$ 1,712,916	\$ 1,445,729
Island Health	1,427,883	1,204,900
Education/Scholarships	1,254,594	1,053,383
EdGE	3,321,686	2,802,915
General	<u>22,454,038</u>	<u>18,655,715</u>
 Total	 <u>\$ 30,171,117</u>	 <u>\$ 25,162,642</u>

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 the Act requires the Mission to retain as a fund of perpetual duration. The current Mission policy allows for continued spending of underwater funds. In accordance with U.S. GAAP, deficiencies of this nature are reported in net assets with donor restrictions. There were no deficiencies as of June 30, 2021. Deficiencies were \$221,502 at June 30, 2020.

The endowment net asset composition by type of fund as of June 30, 2021 is as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Donor-restricted endowment funds	\$ -	\$ 22,111,014	\$ 22,111,014
Board-designated endowment funds	<u>30,171,117</u>	<u>-</u>	<u>30,171,117</u>
 Total	 <u>\$ 30,171,117</u>	 <u>\$ 22,111,014</u>	 <u>\$ 52,282,131</u>

Changes in endowment net assets for the year ended June 30, 2021 are as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 25,162,642	\$ 18,476,199	\$ 43,638,841
Net investment income	5,845,110	4,393,871	10,238,981
Additions to endowment assets	733,856	165,280	899,136
Appropriation of endowment assets for expenditure	<u>(1,570,491)</u>	<u>(924,336)</u>	<u>(2,494,827)</u>
Endowment net assets, end of year	<u>\$ 30,171,117</u>	<u>\$ 22,111,014</u>	<u>\$ 52,282,131</u>

# MAINE SEACOAST MISSION

## Notes to Financial Statements

June 30, 2021 and 2020

The endowment net asset composition by type of fund as of June 30, 2020 is as follows:

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
Donor-restricted endowment funds	\$ -	\$ 18,697,701	\$ 18,697,701
Board-designated endowment funds	25,162,642	-	25,162,642
Underwater endowments	-	(221,502)	(221,502)
Total	<u>\$ 25,162,642</u>	<u>\$ 18,476,199</u>	<u>\$ 43,638,841</u>

Changes in endowment net assets for the year ended June 30, 2020 are as follows:

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 24,683,190	\$ 18,680,179	\$ 43,363,369
Net investment income	695,617	524,795	1,220,412
Additions to endowment assets	977,537	58,490	1,036,027
Appropriation of endowment assets for expenditure	<u>(1,193,702)</u>	<u>(787,265)</u>	<u>(1,980,967)</u>
Endowment net assets, end of year	<u>\$ 25,162,642</u>	<u>\$ 18,476,199</u>	<u>\$ 43,638,841</u>

### 9. Assets at Fair Value

FASB ASC Topic 820, *Fair Value Measurement*, defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. FASB ASC Topic 820 also establishes a fair value hierarchy which requires an entity 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 entity has the ability to access as of the measurement date.

Level 2: Significant observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, and other inputs that are observable or can be corroborated by observable market data.

# MAINE SEACOAST MISSION

## Notes to Financial Statements

June 30, 2021 and 2020

Level 3: Significant unobservable inputs that reflect an entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

Assets measured at fair value on a recurring basis as of June 30, 2021 are summarized below:

	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs Using the Market Approach (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Beneficial interest in perpetual trusts	\$ 6,574,867	\$ -	\$ -	\$ 6,574,867
Split-interest agreements	639,834	-	639,834	-
Domestic equity funds	17,056,491	14,761,783	-	2,294,708
International equity funds	10,012,446	10,012,446	-	-
Fixed income funds	4,923,603	4,923,603	-	-
Cash and cash equivalents	920,821	920,821	-	-
U.S. Government fixed income (TIPS)	10,386,166	10,386,166	-	-
Hedge fund*	<u>2,343,198</u>	<u>-</u>	<u>2,343,198</u>	<u>-</u>
	<b>52,857,426</b>	<b>\$ 41,004,819</b>	<b>\$ 2,983,032</b>	<b>\$ 8,869,575</b>
Assets measured at net asset value	<u>6,651,061</u>			
Total assets measured at fair value on a recurring basis	<b>\$ <u>59,508,487</u></b>			

Assets measured at fair value on a recurring basis as of June 30, 2020 are summarized below:

	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs Using the Market Approach (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Beneficiary interest in perpetual trusts	\$ 5,201,127	\$ -	\$ -	\$ 5,201,127
Split-interest agreements	671,541	-	671,541	-
Domestic equity funds	13,889,189	9,784,843	-	4,104,346
International equity funds	9,036,004	9,036,004	-	-
Fixed income funds	9,703,167	9,703,167	-	-
Cash and cash equivalents	1,422,471	1,422,471	-	-
U.S. Government fixed income (TIPS)	3,427,608	-	3,427,608	-
Hedge fund*	<u>1,892,424</u>	<u>-</u>	<u>1,892,424</u>	<u>-</u>
	<b>45,243,531</b>	<b>\$ 29,946,485</b>	<b>\$ 5,991,573</b>	<b>\$ 9,305,473</b>
Assets measured at net asset value	<u>4,279,426</u>			
Total assets measured at fair value on a recurring basis	<b>\$ <u>49,522,957</u></b>			

\*The hedge fund may be redeemed quarterly.

## MAINE SEACOAST MISSION

### Notes to Financial Statements

**June 30, 2021 and 2020**

Level 3 beneficial interest in perpetual trusts and Level 2 split-interest agreements are valued based on the fair value of the underlying investments held by the trusts. Level 3 domestic equity funds are mutual funds that can be liquidated daily, valued using a proprietary method. U.S. Treasury notes and bonds and TIPS are valued based on quoted market prices for similar instruments. There were no transfers into Level 3 of the fair value hierarchy for the year ended June 30, 2021. Transfers out were \$2,846,994 at June 30, 2021. Transfers into Level 3 of the fair value hierarchy were \$326,867 for the year ended June 30, 2020. There were no transfers out at June 30, 2020.

The Mission invests in certain entities that calculate net asset value (NAV) per share in accordance with FASB guidance relative to investment companies and these investments are reported at fair value based on the NAV per share as reported by the investee. Investments measured at NAV are not classified by level, as they meet the criteria for the exception to fair value classification.

The following includes a summary of fair values, redemption features, and future commitments related to investments for which estimated fair value was based upon NAV, capital account, or other valuation procedures as of June 30, 2021:

	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency (If Currently Eligible)</u>	<u>Redemption Notice Periods</u>
Private equity fund	\$ 751,837	\$ 430,583	N/A	N/A
Private equity fund	457,243	525,624	N/A	N/A
Private equity fund	231,113	102,146	N/A	N/A
Private equity fund	440,637	680,093	N/A	N/A
Private equity fund	7,198	692,802	N/A	N/A
Private equity fund	194,162	-	N/A	N/A
Private equity fund - 2014	875,794	106,117	N/A	N/A
Private equity fund - 2015	1,024,974	207,908	N/A	N/A
Private equity fund - 2016	999,892	187,945	N/A	N/A
Private equity fund - 2017	999,293	146,566	N/A	N/A
Private equity fund - 2018	357,267	287,075	N/A	N/A
Private equity fund - 2019	264,314	365,995	N/A	N/A
Private equity fund - 2020	<u>47,337</u>	<u>652,777</u>	N/A	N/A
	<u>\$ 6,651,061</u>	<u>\$ 4,385,631</u>		

N/A = not applicable

The private equity funds are diversified U.S. and non U.S. private equity portfolios which may include venture capital, buyout, and mezzanine assets through the secondary market, private equity limited partnership interests, and minority positions in direct private equity investments. The private equity funds are to be held for 10-15 years unless sold on the secondary market. A private equity fund typically receives capital over the first half of the life of the fund. Funds tend to distribute capital during the final years of a fund's life. Early in the life of a private equity program, there will be net contributions. As the collective private equity investments mature, distributions should offset contributions to new private equity funds. Generally, investments in these private equity funds will be held until the partnership terminates unless, at the general partner's discretion, written consent is given to allow an investor to withdraw.

**MAINE SEACOAST MISSION**

**Notes to Financial Statements**

**June 30, 2021 and 2020**

**10. Net Assets With Donor Restrictions**

Net assets with donor restrictions are available for the following purposes or periods as of June 30:

	<u>2021</u>	<u>2020</u>
Restricted as to time or purpose		
Education/Scholarships	\$ 2,245,327	\$ 1,507,577
EdGE	2,711,153	687,199
Downeast Campus programs	810,478	598,211
Colket fund	181,903	-
Island Services	32,211	12,806
Island Health	143,599	75,000
Sunbeam*	826	1,499,595
General funds subject to board appropriation	1,168,113	889,990
Development/Marketing	65,353	68,909
Split-interest agreements - EdGE	639,834	671,541
Underwater endowments	-	(221,502)
	<u>7,998,797</u>	<u>5,789,326</u>
Net assets with donor restrictions of perpetual duration		
Education/Scholarships	1,689,649	1,643,649
EdGE	10,468,100	10,468,100
Colket fund	2,000,000	2,000,000
Island Services	77,368	77,018
Island Health	933,514	933,614
Sunbeam*	2,468	2,468
General funds, income subject to board appropriation	487,143	368,113
Beneficial interest in perpetual trusts	6,574,867	5,201,127
	<u>22,233,109</u>	<u>20,694,089</u>
Total net assets with donor restrictions	<u>\$ 30,231,906</u>	<u>\$ 26,483,415</u>

\* The funds raised to refurbish the Sunbeam are held in the Mission's investment accounts and in cash and cash equivalents.

# MAINE SEACOAST MISSION

## Notes to Financial Statements

June 30, 2021 and 2020

### 11. Net Assets Released From Restrictions

Net assets released from restrictions due to donor-imposed restrictions being met and other reclassifications consisted of the following:

	<u>2021</u>	<u>2020</u>
Education/Scholarships	\$ 101,015	\$ 5,695
EdGE	480,352	416,528
Downeast Campus programs	224,287	338,397
Island Health	167,330	52,000
Island Services	100	3,578
Sunbeam	8,305	32,283
General funds	20,000	15,000
Development/Marketing	<u>43,556</u>	<u>43,979</u>
Total net assets released from restrictions - operating	<u>1,044,945</u>	<u>907,460</u>
Total net assets released from restrictions - capital projects	<u>1,483,517</u>	<u>-</u>
Total net assets released from restrictions	<u>\$ 2,528,462</u>	<u>\$ 907,460</u>

### 12. Retirement Plan

The Mission has established a defined contribution retirement plan which covers employees working at least 35 hours per week. Mission contributions are made at 14% of gross wages for ministers. The Mission contribution for lay employees is 5% if the lay employee makes a voluntary contribution of at least 2.5%. Total Mission retirement contributions totaled \$82,030 and \$71,032 for the years ended June 30, 2021 and 2020, respectively.

### 13. Related Party Transactions

The Mission maintains cash and cash equivalents with Bar Harbor Bank and Trust (BHBT) and Machias Savings Bank (MSB). The Chief Financial Officer of BHBT and the Vice President of Business Banking of MSB are members of the Mission's Board of Directors. Cash and cash equivalents maintained at BHBT and MSB were approximately 1% and 48% of total cash and cash equivalents at June 30, 2021, respectively. Cash and cash equivalents maintained at BHBT and MSB were approximately 4% and 30% of total cash and cash equivalents at June 30, 2020, respectively.

# MAINE SEACOAST MISSION

## Notes to Financial Statements

June 30, 2021 and 2020

### 14. Liquidity and Availability of Resources

	<u>2021</u>	<u>2020</u>
Total financial assets	\$ 61,423,151	\$ 50,585,765
Less: Financial assets with donor-imposed restrictions:		
Cash received and held for specific projects	832,132	719,871
Donor restricted endowments less amounts appropriated for the next 12 months	21,212,000	17,598,000
Gift annuities	11,654	11,449
Split interest agreements	639,834	671,541
Beneficial interest in perpetual trust	<u>6,574,867</u>	<u>5,201,127</u>
Total financial assets with donor-imposed restrictions	<u>29,270,487</u>	<u>24,201,988</u>
Net financial assets after donor-imposed restrictions	<u>32,152,664</u>	<u>26,383,777</u>
Internal designations:		
Amounts set aside for liquidity reserve	500,002	627,359
Quasi-endowments less amounts appropriated for the next 12 months	<u>27,487,763</u>	<u>23,465,635</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 4,164,899</u>	<u>\$ 2,290,783</u>

The Mission receives significant contributions restricted by donors, and considers contributions restricted for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures.

The Mission manages its liquidity and reserves following two guiding principles: Operating within a prudent range of financial soundness and stability and maintaining adequate liquid assets to fund near-term operating needs. The Mission has a liquidity policy to maintain current financial assets less current liabilities at a minimum of 30 days operating expenses, which are, on average, approximately \$300,000. The Mission has a policy to target a year-end balance of reserves of undesignated net assets at 15 to 30 days of expected expenditures. To achieve these targets, the Mission forecasts its future cash flows and monitors its liquidity quarterly, and monitors its reserves annually. During the years ended June 30, 2021 and 2020, the level of liquidity and reserves was managed within the policy requirements.

Although the Mission does not intend to spend from its board-designated quasi-endowments, other than amounts appropriated for general expenditure as part of its annual budget approval and appropriation process, additional amounts could be made available if necessary.



**MAINE SEACOAST MISSION**

**Notes to Financial Statements**

**June 30, 2021 and 2020**

**15. Leases**

The Mission leases certain office space for administrative purposes under an operating lease agreement expiring in fiscal year 2031. The Mission records rent expense on a straight-line basis for the Northeast Harbor office. The lease agreement defers payment to future periods. The difference between rent expense and payments made under the lease are reflected as deferred rent payable. Rent expense and deferred rent payable totaled \$41,093 as of June 30, 2021.

Future minimum lease payments under this operating lease are as follows:

2022	\$ 44,829
2023	44,829
2024	44,829
2025	44,829
2026	44,829
Thereafter	<u>224,145</u>
	<u>\$ 448,290</u>