BerryDunn

Maine Seacoast Mission

FINANCIAL STATEMENTS

June 30, 2025 and 2024

With Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Maine Seacoast Mission

Opinion

We have audited the accompanying financial statements of Maine Seacoast Mission (the Mission), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses, and cash flows for the year 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 the Mission as of June 30, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with U.S. generally accepted accounting principles (U.S. GAAP).

Basis for Opinion

We conducted our audit in accordance with U.S. generally accepted auditing standards (U.S. GAAS). 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 the Mission 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.

Prior Period Financial Statements

The financial statements of the Mission as of and for the year ended June 30, 2024 were audited by Berry, Dunn, McNeil, & Parker, LLC whose report, dated February 12, 2025, expressed an unmodified opinion on those statements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP, 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 the Mission'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 U.S. GAAS 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 U.S. GAAS, 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 the Mission'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 the Mission'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.

BDMP Assurance, LLP

Bangor, Maine
November 17, 2025

MAINE SEACOAST MISSION

Statements of Financial Position

June 30, 2025 and 2024

ASSETS

	2025	2024
Cash and cash equivalents (Notes 2 and 13)	**$ 1,479,782**	$ 798,096
Cash received and held for specific projects (Note 2)	**278,124**	1,705,697
Accounts receivable (Note 2)	**27**	4,004
Prepaid expenses	**250,070**	131,788
Contributions and grants receivable, net (Notes 2 and 3)	**776,639**	178,613
Property and equipment, net (Notes 2 and 4)	**4,290,232**	4,612,832
Right-of-use (ROU) asset – operating (Notes 2 and 15)	**195,748**	239,158
Split-interest agreements (Notes 6, 9 and 10)	**496,007**	534,686
Beneficial interest in perpetual trusts (Notes 5, 9 and 10)	**6,649,283**	6,185,444
Investments (Notes 2, 7, 8, 9, and 10)	**59,201,961**	55,302,542
Total assets	**$ 73,617,873**	$ 69,692,860

LIABILITIES AND NET ASSETS

	2025	2024
Liabilities		
Accounts payable and accrued expenses	**$ 306,433**	$ 488,186
Deferred revenue	**31,605**	59,757
Lease liability – operating (Notes 2 and 15)	**251,784**	295,194
Gift annuity payable (Note 7)	**7,337**	7,716
Total liabilities	**597,159**	850,853
Net assets		
Without donor restrictions (Note 2)		
Board-designated endowment funds (Note 8)	**34,442,401**	31,561,608
Undesignated funds	**5,630,411**	6,064,072
Total net assets without donor restrictions	**40,072,812**	37,625,680
With donor restrictions (Notes 2, 8, and 10)	**32,947,902**	31,216,327
Total net assets	**73,020,714**	68,842,007
Total liabilities and net assets	**$ 73,617,873**	$ 69,692,860

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

MAINE SEACOAST MISSION

Statement of Activities

Year Ended June 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Operating revenue, gains, and other support			
Contributions and grants (Note 2)	$ 1,525,339	$ 523,548	$ 2,048,887
Contributions of nonfinancial assets (Note 16)	270,030	-	270,030
Special events	87,662	-	87,662
Gain on sale of property and equipment	1,000	-	1,000
Program and other	28,073	-	28,073
Investment income appropriated for operations (Notes 2 and 8)	2,508,904	-	2,508,904
Net assets released from restrictions (Note 11)	2,017,711	(2,017,711)	-
Total operating revenue, gains, and other support	6,438,719	(1,494,163)	4,944,556
Operating expenses			
Program	5,188,440	-	5,188,440
Management and general	494,149	-	494,149
Development and fundraising	463,181	-	463,181
Total operating expenses	6,145,770	-	6,145,770
Change in net assets from operations (Note 2)	292,949	(1,494,163)	(1,201,214)
Non-operating income (loss)			
Endowment contributions	-	1,023,610	1,023,610
Change in value of split-interest agreements (Note 6)	-	(38,680)	(38,680)
Change in value of beneficial interest in perpetual trusts (Note 5)	-	463,839	463,839
Net investment income, less amounts appropriated for operations (Notes 2 and 8)	2,154,183	1,776,969	3,931,152
Net non-operating income	2,154,183	3,225,738	5,379,921
Change in net assets	2,447,132	1,731,575	4,178,707
Net assets, beginning of year	37,625,680	31,216,327	68,842,007
Net assets, end of year	$ 40,072,812	$ 32,947,902	$ 73,020,714

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

MAINE SEACOAST MISSION

Statement of Activities

Year Ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Operating revenue, gains, and other support			
Contributions and grants (Note 2)	$ 1,578,679	$ 2,728,111	$ 4,306,790
Contributions of nonfinancial assets (Note 16)	113,795	-	113,795
Special events	135,607	-	135,607
Loss on sale of property and equipment	(137,492)	-	(137,492)
Program and other	29,050	-	29,050
Investment income appropriated for operations (Notes 2 and 8)	2,428,837	-	2,428,837
Net assets released from restrictions (Note 11)	1,685,208	(1,685,208)	-
Total operating revenue, gains, and other support	5,833,684	1,042,903	6,876,587
Operating expenses			
Program	4,735,537	-	4,735,537
Management and general	418,611	-	418,611
Development and fundraising	418,491	-	418,491
Total operating expenses	5,572,639	-	5,572,639
Change in net assets from operations (Note 2)	261,045	1,042,903	1,303,948
Non-operating income (loss)			
Endowment contributions	-	20,000	20,000
Contributions for capital projects	-	106,245	106,245
Net assets released from restrictions – capital projects (Note 11)	692,980	(692,980)	-
Change in value of split-interest agreements (Note 6)	-	(36,805)	(36,805)
Change in value of beneficial interest in perpetual trusts (Note 5)	-	483,127	483,127
Net investment income, less amounts appropriated for operations (Notes 2 and 8)	2,178,786	1,534,071	3,712,857
Net non-operating income	2,871,766	1,413,658	4,285,424
Change in net assets	3,132,811	2,456,561	5,589,372
Net assets, beginning of year	34,492,869	28,759,766	63,252,635
Net assets, end of year	$ 37,625,680	$ 31,216,327	$ 68,842,007

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

MAINE SEACOAST MISSION

Statement of Functional Expenses

Year Ended June 30, 2025

	Youth Development Programs	Direct Service Programs	Island Service Programs	Total Program	Management and General	Development and Fundraising	Total
Salaries and benefits (Note 12)	$ 1,031,895	$ 421,914	$ 551,864	$ 2,005,673	$ 573,334	$ 510,037	$ 3,089,044
Contract labor	-	-	5,491	5,491	-	-	5,491
Travel and training	63,024	12,088	16,138	91,250	20,226	10,456	121,932
Subscriptions and registrations	-	-	2,756	2,756	17,944	1,126	21,826
Utilities	885	82,009	2,443	85,337	1,880	-	87,217
Maintenance and repairs	12,997	84,157	81,590	178,744	36,234	7,427	222,405
Busing	29,124	-	-	29,124	-	-	29,124
Depreciation	34,672	103,276	241,606	379,554	4,870	-	384,424
Professional fees	1,469	-	300	1,769	110,120	59,583	171,472
Food and events	27,180	324,822	12,206	364,208	2,920	35,279	402,407
Board expense	-	-	-	-	888	-	888
Grants – scholarship program	1,061,894	-	-	1,061,894	-	-	1,061,894
Grants – other	-	-	13,000	13,000	-	-	13,000
Other direct program expense	88,922	121,071	100,697	310,690	17	3,921	314,628
Insurance	-	9,746	-	9,746	61,320	-	71,066
Advertising and marketing	798	-	-	798	-	64,279	65,077
Printing	-	-	-	-	7,449	22,320	29,769
Postage and shipping	-	-	-	-	4,491	5,646	10,137
Supplies	821	9,352	5,845	16,018	5,992	-	22,010
Bank fees	-	-	-	-	2,859	-	2,859
Administrative overhead	297,221	193,764	141,403	632,388	(356,395)	(275,993)	-
Uncollectible pledges	-	-	-	-	-	19,100	19,100
Total operating expenses	$ 2,650,902	$ 1,362,199	$ 1,175,339	$ 5,188,440	$ 494,149	$ 463,181	$ 6,145,770

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

MAINE SEACOAST MISSION

Statement of Functional Expenses

Year Ended June 30, 2024

	Youth Development Programs	Direct Service Programs	Island Service Programs	Total Program	Management and General	Development and Fundraising	Total
Salaries and benefits (Note 12)	$ 1,039,941	$ 252,612	$ 527,034	$ 1,819,587	$ 590,389	$ 452,741	$ 2,862,717
Contract labor	2,680	38,411	6,483	47,574	-	-	47,574
Travel and training	67,018	14,312	10,669	91,999	17,798	7,557	117,354
Subscriptions and registrations	-	-	3,392	3,392	11,661	2,086	17,139
Utilities	-	83,704	3,020	86,724	1,411	-	88,135
Maintenance and repairs	19,264	36,281	79,109	134,654	37,365	10,758	182,777
Busing	37,887	-	-	37,887	-	-	37,887
Depreciation	23,197	60,965	267,815	351,977	11,371	-	363,348
Professional fees	121	-	200	321	121,091	53,751	175,163
Food and events	25,005	203,705	13,108	241,818	3,542	49,711	295,071
Board expense	-	-	-	-	2,210	-	2,210
Grants – scholarship program	840,390	-	-	840,390	-	-	840,390
Grants – other	-	-	14,000	14,000	-	-	14,000
Other direct program expense	106,955	111,792	109,840	328,587	-	1,004	329,591
Insurance	-	60,279	-	60,279	-	-	60,279
Advertising and marketing	490	-	-	490	-	50,791	51,281
Printing	-	-	-	-	3,077	29,389	32,466
Postage and shipping	-	-	-	-	4,531	8,871	13,402
Supplies	13,601	9,323	-	22,924	15,043	-	37,967
Bank fees	-	-	-	-	3,688	-	3,688
Administrative overhead	347,608	142,236	163,090	652,934	(404,566)	(248,368)	-
Uncollectible pledges	-	-	-	-	-	200	200
Total operating expenses	$ 2,524,157	$ 1,013,620	$ 1,197,760	$ 4,735,537	$ 418,611	$ 418,491	$ 5,572,639

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

MAINE SEACOAST MISSION

Statements of Cash Flows

Years Ended June 30, 2025 and 2024

	2025	2024
Cash flows from operating activities		
Change in net assets	$ **4,178,707**	$ 5,589,372
Adjustments to reconcile change in net assets to net cash (used) provided by operating activities		
Depreciation	**384,424**	363,348
Net realized and unrealized gain on investments	**(5,368,834)**	(5,114,612)
(Gain) loss on sale of property and equipment	**(1,000)**	137,492
Change in value of beneficial interest in perpetual trusts (Note 5)	**(463,839)**	(483,127)
Change in value of split-interest agreements (Note 6)	**38,679**	36,805
Contributions restricted for long-term purposes	**(998,017)**	(126,245)
(Increase) decrease in		
Accounts receivable (Note 2)	**3,977**	(3,083)
Prepaid expenses	**(118,282)**	(2,454)
Contributions and grants receivable (Notes 2 and 3)	**69,502**	(294,298)
Increase (decrease) in		
Accounts payable and accrued expenses	**195,939**	(36,513)
Deferred revenue	**(28,152)**	(45,095)
Gift annuity payable (Note 7)	**(379)**	(388)
Net cash (used) provided by operating activities	**(2,107,275)**	21,202
Cash flows from investing activities		
Purchases of investments	**(9,430,600)**	(7,062,514)
Proceeds from sale of investments	**10,900,015**	7,542,258
Purchase of property and equipment	**(413,923)**	(1,362,952)
Proceeds from sale of property and equipment	**1,000**	2,300
Net cash provided (used) by investing activities	**1,056,492**	(880,908)
Cash flows from financing activities		
Proceeds from contributions restricted for long-term purposes	**304,896**	483,127
Net cash provided by financing activities	**304,896**	483,127
Net decrease in cash and cash equivalents	**(745,887)**	(376,579)
Cash and cash equivalents, beginning of year	**2,503,793**	2,880,372
Cash and cash equivalents, end of year	$ **1,757,906**	$ 2,503,793
Additional disclosure:		
Cash and cash equivalents	$ **1,479,782**	$ 798,096
Cash received and held for specific projects	**278,124**	1,705,697
	$ **1,757,906**	$ 2,503,793
Noncash transactions		
Property and equipment in accounts payable and accrued expenses at year-end	$ **-**	$ 377,692
Donated property and equipment	$ **25,593**	$ -

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

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 4,300 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.

Grants to Island Organizations

Financial grants are provided by the Mission to organizations located in island communities. The grants totaled $13,000 and $14,000 during the years ended June 30, 2025 and 2024, respectively.

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, whereby 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.

Definition of Operations

The statements of activities include changes in net assets from operations. Changes in net assets, which are excluded from changes in net assets from operations, include net investment gains (loss) greater than (less than) amounts appropriated for operations, endowment contributions and the change in value thereof, contributions for capital projects and net assets released from restriction for those projects, 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:

	2025	2024
Education/Scholarships	**$ 222,749**	$ 1,176,871
EdGE	**-**	217,158
Downeast Campus programs	**4,227**	130,377
Island Outreach	**3,648**	48,791
Island Health Services	**-**	85,000
Development/Marketing	**47,500**	47,500
Total cash received and held for specific projects	**$ 278,124**	$ 1,705,697

Accounts, Contributions, and Grants Receivable

Accounts, contributions, and grants receivable are stated at the amount management expects to collect. As of June 30, 2025 and 2024, a general allowance for expected credit losses 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 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.

ROU Asset and Lease Liability

The Mission follows Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC), Topic 842, *Leases* (Topic 842). The Mission determines if an arrangement is a lease or contains a lease at inception of a contract. A contract is determined to be or contain a lease if the contract conveys the right to control the use of identified property or equipment (an identified asset) in exchange for consideration. The Mission determines these assets are leased because the Mission has the right to obtain substantially all of the economic benefit from the right to direct the use of the identified asset. The Mission's lease agreements do not contain any material residual value guarantees or material restrictive covenants. The Mission has elected the practical expedient to not separate lease and non-lease components and classifies the contract as a lease if consideration in the contract allocated to the lease component is greater than the consideration allocated to the non-lease agreement.

Leases result in the recognition of ROU assets and lease liabilities on the statements of financial position. ROU assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments arising from the lease, measured on a discounted basis. The Mission determines lease classification as operating or finance at the lease commencement date. The Mission did not have any finance leases as of June 30, 2025 or 2024.

At lease inception, the lease liability is measured at the present value of the lease payments over the lease term. The ROU asset equals the lease liability adjusted for any initial direct costs, prepaid or deferred rent, and lease incentives. FASB ASC Topic 842 requires the use of the implicit rate in the lease when readily determinable. As the leases do not provide an implicit rate, the Mission elected the practical expedient to use the risk-free rate when the rate of the lease is not implicit in the lease agreement.

The lease term may include options to extend or to terminate the lease that the Mission is reasonably certain to exercise. Lease expense for operating lease is recognized on a straight-line basis over the lease term.

The Mission has elected the short-term lease exemption and, therefore, does not record ROU assets or liabilities for leases with an initial term of 12 months or less. Lease expense on such leases is recognized on a straight-line basis over the lease term.

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 are measured at fair value in the statements of financial position.

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 statements of financial position.

Contributions

The Mission reports contributions of cash or other assets, including unconditional promises to give, in the statements 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 statements of activities as net assets released from restrictions.

The Mission received 30% of its contributions from one donor during the year ended June 30, 2025 and 51% of its contributions from two donors during the year ended June 30, 2024.

Contributed Services (Unaudited)

It is estimated that 479 individuals during the year ended June 30, 2025 and 598 individuals during the year ended June 30, 2024 volunteered their time performing a variety of tasks that assist the Mission. The average volunteer worked approximately 19 hours during the year ended June 30, 2025 and 23 hours during the year ended June 30, 2024, which is over 9,00 and 13,500 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, 2025, excluding management and general, and development and fundraising allocation of $632,388, were $4,556,052. Total program expenses for the year ended June 30, 2024, excluding management and general, and development and fundraising allocation of $652,934, were $4,082,603.

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 17, 2025, which was the date that the financial statements were available to be issued.

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 consisted of the following:

	2025	2024
Within one year	**$ 240,000**	$ 143,600
Between one and five years	**620,000**	40,500
Total contributions and grants receivable	**860,000**	184,100
Less discounts to net present value at 5%	**(83,361)**	(5,487)
Contributions and grants receivable, net	**$ 776,639**	$ 178,613

4. Property and Equipment

Property and equipment consisted of as of June 30:

	2025	2024
Land and improvements	**$ 361,002**	$ 361,002
Building and improvements	**3,164,760**	3,128,529
Vehicles	**195,902**	195,902
Ships	**3,592,038**	3,592,038
Equipment	**166,812**	141,219
Information technology	**90,550**	90,550
Furniture and fixtures	**59,943**	59,943
	7,631,007	7,569,183
Less accumulated depreciation	**(3,340,775)**	(2,956,351)
Property and equipment, net	**$ 4,290,232**	$ 4,612,832

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 there from. 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 statements 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, 2025 and 2024 of funds held in trust by others was $6,649,283 and $6,185,444, respectively. Income received as distributions for the years ended June 30, 2025 and 2024 of funds held in trust by others was $205,098 and $152,130, respectively, and are included with contributions and grants without donor restrictions in the statements of activities.

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 $396,007 and $434,686, respectively, at June 30, 2025 and 2024. Income distributions received from the trusts, which are restricted by the donor for the EdGE program, totaled $76,907 and $83,387, respectively, for the years ended June 30, 2025 and 2024, and are included in contributions and grants in the statements 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 $7,337 at June 30, 2025 and 2024. The original amount donated under this charitable gift annuity agreement was $25,080 and the value was $7,608 at June 30, 2025 and 2024, and is included in investments.

8. Investments

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

	2025	2024
Cash investments	**$ 1,654,323**	$ 1,844,160
Domestic equity funds	**23,349,288**	19,122,104
International equity funds	**5,767,520**	7,276,600
Fixed income securities and funds	**15,491,915**	14,577,616
Hedge funds	**2,872,104**	2,614,371
Private equity funds	**10,066,811**	9,867,691
Total investments	**$ 59,201,961**	$ 55,302,542
Investment income appropriated for operations	**$ 2,508,904**	$ 2,428,837
Net investment income, net of fees, greater than amounts appropriated for operations	**3,931,152**	3,712,857
Total investment income	**$ 6,440,056**	$ 6,141,694

At June 30, 2025 and 2024, the Mission held approximately $21,717,090 and $15,840,247, respectively, of its total investments in an S&P 500 Index Fund (a domestic equity fund). For the years ended June 30, 2025 and 2024, investment management and administrative fees totaled $84,625 and $80,284, respectively.

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:

Asset Class	Range	Allocation Target
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, EdGE and the Island Health program.

The Board of Directors had designated funds for the following purposes:

	2025	2024
Sunbeam	**$ 1,873,005**	$ 1,763,444
Island Health	**1,551,396**	1,460,648
Education/Scholarships	**1,938,338**	1,787,663
EdGE	**3,690,657**	3,397,906
General	**25,389,005**	23,151,947
Total	**$ 34,442,401**	$ 31,561,608

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, 2025 or 2024.

The endowment net asset composition by type of fund as of June 30, 2025 was as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	$ -	$ 24,747,668	$ 24,747,668
Board-designated endowment funds	34,442,401	-	34,442,401
Total	$ 34,442,401	$ 24,747,668	$ 59,190,069

Changes in endowment net assets for the year ended June 30, 2025 were as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	$ 31,561,608	$ 23,722,757	$ 55,284,365
Net investment income	3,666,922	2,681,998	6,348,920
Additions to endowment assets	760,792	304,896	1,065,688
Appropriation of endowment assets for expenditure	(1,546,921)	(961,983)	(2,508,904)
Project fund appropriation	-	(1,000,000)	(1,000,000)
Endowment net assets, end of year	$ 34,442,401	$ 24,747,668	$ 59,190,069

The endowment net asset composition by type of fund as of June 30, 2024 was as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	$ -	$ 23,722,757	$ 23,722,757
Board-designated endowment funds	31,561,608	-	31,561,608
Total	$ 31,561,608	$ 23,722,757	$ 55,284,365

Changes in endowment net assets for the year ended June 30, 2024 were as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	$ 29,490,701	$ 21,168,686	$ 50,659,387
Net investment income	3,470,411	2,556,295	6,026,706
Additions to endowment assets	7,109	1,020,000	1,027,109
Appropriation of endowment assets for expenditure	(1,406,613)	(1,022,224)	(2,428,837)
Endowment net assets, end of year	$ 31,561,608	$ 23,722,757	$ 55,284,365

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.

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, 2025 are summarized below:

	Fair Value	Level 1	Level 2	Level 3
Beneficial interest in perpetual trusts	$ 6,649,283	$ -	$ -	$ 6,649,283
Split-interest agreements	496,007	-	496,007	-
Domestic equity funds	23,349,287	21,722,426	-	1,626,861
International equity funds	5,767,520	5,767,520	-	-
Fixed income funds	15,491,915	13,030,422	2,461,493	-
Cash and cash equivalents	1,654,323	1,654,323	-	-
Hedge fund*	2,872,104	-	2,872,104	-
	56,280,439	$ 42,174,691	$ 5,829,604	$ 8,276,144
Assets measured at net asset value (NAV)	10,066,812			
Total assets measured at fair value on a recurring basis	$ 66,347,251			

Assets measured at fair value on a recurring basis as of June 30, 2024 are summarized below:

	Fair Value	Level 1	Level 2	Level 3
Beneficiary interest in perpetual trusts	$ 6,185,444	$ -	$ -	$ 6,185,444
Split-interest agreements	534,686	-	534,686	-
Domestic equity funds	19,122,105	16,636,971	-	2,485,134
International equity funds	7,276,600	7,276,600	-	-
Fixed income funds	9,696,752	9,696,752	-	-
Cash and cash equivalents	1,844,160	1,844,160	-	-
U.S. Government fixed income (TIPS)	4,880,863	2,440,453	2,440,410	-
Hedge fund*	2,614,371	-	2,614,371	-
	52,154,981	$ 37,894,936	$ 5,589,467	$ 8,670,578
Assets measured at NAV	9,867,691			
Total assets measured at fair value on a recurring basis	$ 62,022,672			

* The hedge fund may be redeemed quarterly.

A rollforward of level 3 changes was as follows:

	Beneficial Interest in Perpetual Trusts	Domestic Equity Funds
Level 3 value at June 30, 2023	$ 5,702,317	$ 2,254,470
Increase in value, net of distributions	483,127	230,664
Level 3 value at June 30, 2024	6,185,444	2,485,134
Increase (decrease) in value, net of distributions	**463,839**	**(858,273)**
Level 3 value at June 30, 2025	**$ 6,649,283**	**$ 1,626,861**

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. government fixed income (TIPS) are valued based on quoted market prices for similar instruments.

The Mission invests in certain entities that calculate 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 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, 2025 and 2024, 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.

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, 2025:

	Fair Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Periods
Private equity fund	$ 499,163	$ 526,189	N/A	N/A
Private equity fund	826,957	541,821	N/A	N/A
Private equity fund	567,543	1,053,356	N/A	N/A
Private equity fund	141,126	150,168	N/A	N/A
Private equity fund	817,762	475,520	N/A	N/A
Private equity fund	613,550	663,344	N/A	N/A
Private equity fund	84,538	313,049	N/A	N/A
Private equity fund	980	397,700	N/A	N/A
Private equity fund	4,118	-	N/A	N/A
Private equity fund	-	300,000	N/A	N/A
Private equity fund – 2014	469,987	157,242	N/A	N/A
Private equity fund – 2015	680,196	312,089	N/A	N/A
Private equity fund – 2016	961,204	227,284	N/A	N/A
Private equity fund – 2017	1,194,422	294,021	N/A	N/A
Private equity fund – 2018	792,127	158,296	N/A	N/A
Private equity fund – 2019	831,545	133,144	N/A	N/A
Private equity fund – 2020	671,682	116,611	N/A	N/A
Private equity fund – 2021	594,242	166,263	N/A	N/A
Private equity fund – 2022	279,953	513,865	N/A	N/A
Private equity fund – 2023	44,642	551,753	N/A	N/A
Private equity fund – 2024	(8,925)	700,000	N/A	N/A
Private equity fund – 2025	-	450,000		
	$ 10,066,812	$ 8,201,715		

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.

10. Net Assets with Donor Restrictions

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

	2025	2024
Restricted as to time or purpose		
Education/Scholarships	$ 2,709,175	$ 3,370,618
EdGE	3,737,587	2,826,311
Downeast Campus programs	543,536	638,458
Colket fund	370,924	231,970
Island Services	41,005	76,671
Island Health	209,067	291,110
Sunbeam	1,111	902
General funds, subject to board appropriation	1,316,064	1,247,547
Development/Marketing	47,500	47,500
Building project campaign funds	37,924	-
Split-interest agreements – EdGE	496,007	534,686
Total net assets restricted as to time or purpose	9,509,900	9,265,773
Net assets with donor restrictions of perpetual duration		
Education/Scholarships	2,819,327	1,795,717
EdGE	10,468,600	10,468,600
Colket fund	2,000,000	2,000,000
Island Services	77,618	77,618
Island Health	933,514	933,514
Sunbeam	2,468	2,468
General funds, income subject to board appropriation	487,192	487,193
Beneficial interest in perpetual trusts	6,649,283	6,185,444
Total net assets with donor restrictions of perpetual duration	23,438,002	21,950,554
Total net assets with donor restrictions	$ 32,947,902	$ 31,216,327

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:

	2025	2024
Education/Scholarships	$ 1,049,323	$ 808,650
EdGE	460,658	449,808
Downeast Campus programs	104,015	158,565
Island Health	280,572	170,593
Island Services	50,143	10,092
General funds	-	87,500
Development/Marketing	73,000	-
Total net assets released from restrictions – operating	2,017,711	1,685,208
Total net assets released from restrictions – capital projects	-	692,980
Total net assets released from restrictions	$ 2,017,711	$ 2,378,188

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%. Mission retirement contributions totaled $93,295 and $90,851 for the years ended June 30, 2025 and 2024, respectively.

13. Related Party Transactions

The Mission maintains cash and cash equivalents with Bar Harbor Bank and Trust (BHBT). The Chief Financial Officer of BHBT was a member of the Mission's Board of Directors during the years ended June 30, 2025 and 2024. Cash and cash equivalents maintained at BHBT were approximately 24% and 13% of total cash and cash equivalents at June 30, 2025 and 2024, respectively.

14. Liquidity and Availability of Resources

	2025	2024
Total financial assets	**$ 68,881,693**	$ 64,709,082
Less: Financial assets with donor-imposed restrictions:		
Cash received and held for specific projects	**278,124**	1,705,697
Donor restricted endowments, less amounts appropriated for the next 12 months	**23,955,751**	22,608,553
Gift annuities	**7,609**	7,478
Split interest agreements	**496,007**	534,686
Beneficial interest in perpetual trust	**6,649,283**	6,185,444
Total financial assets with donor-imposed restrictions	**31,386,774**	31,041,858
Net financial assets after donor-imposed restrictions	**37,494,919**	33,667,224
Internal designations:		
Amounts set aside for liquidity reserve	**816,191**	782,180
Quasi-endowments, less amounts appropriated for the next 12 months	**31,909,218**	30,779,428
Financial assets available to meet cash needs for general expenditures within one year	**$ 4,769,510**	$ 2,105,616

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 $480,000. 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, 2025 and 2024, 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.

15. Leases

The Mission has entered the following lease agreement:

Operating Lease

The Mission leases certain office space for administrative purposes under an operating lease agreement expiring in fiscal year 2031.

Lease Cost

The following table summarizes the Mission's lease related costs for the years ended June 30:

	2025	2024
Operating lease cost	**$ 52,740**	$ 52,740

This is included in other direct program expense on the statement of functional expenses.

Other Information – Operating Lease

	2025	2024
Cash paid for amounts included in the measurement of lease liabilities:	**$ 52,740**	$ 52,740
Weighted average remaining term:	**5.08 years**	6.08 years
Weighted-average discount rate:	**2.91%**	2.91%

Future Minimum Lease Payments and Reconciliation to the Statement of Financial Position

Future minimum payments due under the Mission's noncancelable operating lease agreement as of June 30, 2025 are as follows:

2026	$ 52,740
2027	52,740
2028	52,740
2029	52,740
2030	52,740
Thereafter	6,622
Total future undiscounted lease payments	270,322
Less present value discount	18,538
Total lease liability	$ 251,784

16. Contributed Nonfinancial Assets

For the years ended June 30, 2025 and 2024, contributed nonfinancial assets recognized within the statements of activities included donations for Island Health in the amount of $25,593 and donations to the food pantry to fight food insecurity, valued at $244,437 and $113,795, respectively. Food pantry donations are recognized at an average price per pound of $3.50 and $3.00 as calculated by the donor for 2025 and 2024, respectively. Contributed nonfinancial assets did not have donor-imposed restrictions.