

**Financial Statements**



**June 30, 2019**

## Contents

# Mid Coast Hunger Prevention Program

June 30, 2019

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## **Independent Auditors' Report**

### **To the Board of Directors Mid Coast Hunger Prevention Program Brunswick, Maine**

We have audited the accompanying financial statements of Mid Coast Hunger Prevention Program (a nonprofit organization), which comprise the statement of financial position as of June 30, 2019, and the related statement of activities, functional expenses, and cash flows for the year 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 accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Mid Coast Hunger Prevention Program as of June 30, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information, which is the responsibility of management, is presented for the purpose of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, we do not express an opinion or provide any assurance on it.

## **Report on Summarized Comparative Information**

We have previously audited Mid Coast Hunger Prevention Program's 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 18, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Purdy Powers & Company*  
Professional Association

**Portland, Maine**  
**December 19, 2019**

## Statement of Financial Position

### Mid Coast Hunger Prevention Program

As of June 30, 2019

(with comparative totals for June 30, 2018)

	<u>2019</u>	<u>2018</u>
<b>Current Assets</b>		
Cash	\$ 142,532	\$ 244,375
Board restricted cash	315,554	302,935
Accounts receivable	11,781	9,393
Inventory	64,347	52,990
Prepaid expenses	6,081	-
Promises to give	6,500	10,857
<b>Total Current Assets</b>	<u>546,795</u>	<u>620,550</u>
<b>Property and Equipment</b> , net of accumulated depreciation	979,704	1,033,244
<b>Other Assets</b>		
Long-term promises to give, net	-	2,500
Long-term investments	313,926	200,621
	<u>313,926</u>	<u>203,121</u>
<b>Total Assets</b>	<u>\$ 1,840,425</u>	<u>\$ 1,856,915</u>
<b>Current Liabilities</b>		
Accounts payable and accrued expenses	\$ 24,515	\$ 13,746
Retainage payable	-	5,218
Payroll and related accruals	19,494	18,166
Accrued compensated absences	20,197	14,218
<b>Total Liabilities</b>	<u>64,206</u>	<u>51,348</u>
<b>Net Assets</b>		
Without donor restrictions	1,724,710	1,705,776
With donor restrictions	51,509	99,791
<b>Total Net Assets</b>	<u>1,776,219</u>	<u>1,805,567</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 1,840,425</u>	<u>\$ 1,856,915</u>

See accompanying independent auditors' report and notes to financial statements.

## Statement of Activities

### Mid Coast Hunger Prevention Program

For the Year Ended June 30, 2019

(with comparative totals for June 30, 2018)

	2019			2018
	Without Donor Restrictions	With Donor Restrictions	Total	Total
<b>Revenues and Other Support</b>				
Contributions	\$ 571,107	\$ -	\$ 571,107	\$ 488,675
Fundraising	15,897	-	15,897	19,174
Donated food	1,947,907	-	1,947,907	2,100,526
Grants and bequests	118,912	31,838	150,750	269,200
United Way	54,952	-	54,952	62,573
Government	73,975	-	73,975	48,818
Interest	5,592	-	5,592	2,496
Other	19,296	-	19,296	8,772
Net assets released from restrictions	80,120	(80,120)	-	-
<b>Total Revenues and Other Support</b>	<b>2,887,758</b>	<b>(48,282)</b>	<b>2,839,476</b>	<b>3,000,234</b>
<b>Expenses</b>				
Program services	2,697,034	-	2,697,034	2,790,200
Management and general	94,383	-	94,383	88,542
Fundraising	86,681	-	86,681	79,839
<b>Total Expenses</b>	<b>2,878,098</b>	<b>-</b>	<b>2,878,098</b>	<b>2,958,581</b>
<b>Revenues Over (Under) Expenses</b>	<b>9,660</b>	<b>(48,282)</b>	<b>(38,622)</b>	<b>41,653</b>
Unrealized investment gains	9,274	-	9,274	330
<b>Increase (Decrease) in Net Assets</b>	<b>18,934</b>	<b>(48,282)</b>	<b>(29,348)</b>	<b>41,983</b>
Net assets at beginning of year	1,705,776	99,791	1,805,567	1,763,584
<b>Net Assets at End of Year</b>	<b>\$ 1,724,710</b>	<b>\$ 51,509</b>	<b>\$ 1,776,219</b>	<b>\$ 1,805,567</b>

See accompanying independent auditors' report and notes to financial statements.

## Statement of Functional Expenses

### Mid Coast Hunger Prevention Program

For the Year Ended June 30, 2019

(with comparative totals for June 30, 2018)

	2019				2018
	Program Services	Supporting Services		Total	Total
	Food Programs	Management & General	Fundraising		
Office management	\$ 15,042	\$ 18,094	\$ 6,672	\$ 39,808	\$ 40,348
Volunteer management	1,724	-	-	1,724	520
Professional development	2,477	2,247	2,247	6,971	4,752
Salaries and benefits	371,626	70,397	61,086	503,109	474,929
Purchased food and supplies	158,142	-	-	158,142	138,173
Auto expense	12,783	-	-	12,783	15,116
Building management	118,223	3,645	3,645	125,513	91,697
Fundraising expenses	-	-	12,584	12,584	9,203
Depreciation	77,824	-	-	77,824	71,816
Bad debt expense	-	-	-	-	875
Food distributed	1,939,193	-	-	1,939,193	2,110,346
Miscellaneous	-	-	447	447	806
	<u>\$ 2,697,034</u>	<u>\$ 94,383</u>	<u>\$ 86,681</u>	<u>\$ 2,878,098</u>	<u>\$ 2,958,581</u>

See accompanying independent auditors' report and notes to financial statements.

## Statement of Cash Flows

# Mid Coast Hunger Prevention Program

For the Year Ended June 30, 2019  
(with comparative totals for June 30, 2018)

	<u>2019</u>	<u>2018</u>
<b>Operating Activities</b>		
Increase (decrease) in net assets	\$ (29,348)	\$ 41,983
Adjustments to reconcile changes in net assets to net cash provided (used) by operating activities:		
Depreciation	77,824	71,816
Unrealized gains on investments	(9,274)	(330)
Change in value of donated inventory	(16,116)	6,284
Donated investments	(32,038)	(22,713)
(Increase) decrease in operating assets:		
Accounts receivable	(2,388)	(8,633)
Inventory (purchased)	4,759	(3,866)
Promises to give	6,857	85,907
Prepaid expenses	(6,081)	-
Increase (decrease) in operating liabilities:		
Accounts payable	10,769	1,698
Retainage payable	(5,218)	-
Payroll and related accruals	1,328	(2,189)
Accrued compensated absences	5,979	(3,855)
<b>Net Cash Provided by Operating Activities</b>	<u>7,053</u>	<u>166,102</u>
<b>Investing Activities</b>		
Purchase of equipment and building improvements	(24,284)	(90,850)
Acquisition of investments	(103,209)	(200,835)
Sale of investments - stock gifts	31,216	23,257
<b>Net Cash Used by Investing Activities</b>	<u>(96,277)</u>	<u>(268,428)</u>
<b>Financing Activities</b>		
Payments on long-term borrowing	-	(55,235)
<b>Net Cash Used by Financing Activities</b>	<u>-</u>	<u>(55,235)</u>
<b>Decrease in Cash</b>	(89,224)	(157,561)
Cash at beginning of year	547,310	704,871
<b>Cash at End of Year</b>	<u>\$ 458,086</u>	<u>\$ 547,310</u>
<b>Components of Cash:</b>		
Cash	\$ 142,532	\$ 244,375
Board restricted cash	315,554	302,935
	<u>\$ 458,086</u>	<u>\$ 547,310</u>
<b>Supplemental Disclosure of Cash Flow Information:</b>		
Cash paid during the year for interest	<u>\$ -</u>	<u>\$ 843</u>

See accompanying independent auditors' report and notes to financial statements.



## Notes to Financial Statements

# Mid Coast Hunger Prevention Program

### Note A - Summary of Significant Accounting Policies

#### Nature of Activities

Mid Coast Hunger Prevention Program, Inc. (the Organization) was incorporated in 1994 as the Brunswick Area Church Council Hunger Prevention Program, Inc. In 1998, the Organization changed its name to Mid Coast Hunger Prevention Program, Inc. The mission of the Organization is to provide hungry people with access to healthy food, work to improve the quality of their lives by partnering with others, and serve them in a manner that recognizes their dignity. The Organization is supported primarily through contributions and donated food from individuals and local area businesses. During the year ended June 30, 2019, approximately 89% of the Organization revenues were from these sources.

#### Basis of Presentation

The accompanying financial statements include a statement of financial position, a statement of activities, a statement of functional expenses and a statement of cash flows. The Organization is required to report information regarding its financial position and activities according to two classes of net assets as follows:

Net Assets without Donor Restrictions - Represents those resources that are not subject to donor-imposed restrictions (donors include other types of contributors, including makers of certain grants), and can be used for any purpose designated by the Organization's governing board.

Net Assets with Donor Restrictions - Represents resources and the portion of net assets resulting from contributions and other inflows of assets whose use is subject to donor-imposed restrictions.

#### Contributions

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions depending on the existence and/or nature of any donor restrictions.

## Notes to Financial Statements - Continued

# Mid Coast Hunger Prevention Program

### Note A - Summary of Significant Accounting Policies - Continued

#### **Contributed Services and Materials**

The Organization receives without charge a variety of services consisting of personal time that is used for the benefit of the Organization's programs. The value of this contributed time is not reflected in the accompanying financial statements since the services do not require specialized skill. The Organization received 39,500 and 36,000 volunteer hours with an estimated value of \$913,240 and \$811,080 from more than 1,100 and 900 volunteers during the years ended June 30, 2019 and 2018, respectively. The value was computed using an hourly rate of \$23.12 and \$22.53 based on the Independent Sector's value of volunteer time for the State of Maine for 2018 and 2017, respectively. The Organization also received donated kitchen and office supplies valued at \$8,197 that met the requirements for recognition in the financial statements and are included in other revenue on the statement of activities during the year ended June 30, 2019.

#### **Revenue and Expense Recognition**

The financial statements of the Organization have been prepared on the accrual basis of accounting. Revenues received are recorded as revenue without donor restrictions or with donor restrictions, depending on the existence and/or nature of any 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.

Expenses are recognized as incurred. Expense amounts are allocated among the various programs on both a direct basis and according to a cost allocation basis.

#### **Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

#### **Cash and Cash Equivalents**

For purposes of the statement of cash flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less, that are not included in investments, to be cash equivalents. The Organization maintains its cash and cash equivalents in bank deposit accounts, and at times balances may exceed federally insured limits. The Organization has not experienced any losses in such accounts.

## Notes to Financial Statements - Continued

### Mid Coast Hunger Prevention Program

#### Note A - Summary of Significant Accounting Policies - Continued

##### Promises To Give

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met. The Organization uses the allowance method to determine uncollectible promises receivable. The allowance is based on management's analysis of specific promises made. At June 30, 2019 and 2018, management estimated allowances for uncollectible promises to give to be \$0 and \$1,000, respectively.

##### Inventory

Inventory consists primarily of nonperishable food items, fresh produce, and baked goods. The cost of donated inventory is calculated based on the national cost of \$1.68 per pound, determined in 2018 by Feeding America, a large nonprofit organization. Purchased inventory is stated at the lower of cost or net realizable value, which is determined on the first-in, first-out (FIFO) basis.

##### Property and Equipment

Property and equipment are recorded at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over appropriate estimated useful lives as follows:

	<u>Years</u>
Furniture and equipment	7
Vehicles	5
Buildings	40

Expenditures for repairs and maintenance are expensed when incurred and betterments are capitalized. Assets sold or otherwise disposed of are removed from the accounts, along with the related depreciation allowances, and any gain or loss is recognized. Depreciation expense for the years ended June 30, 2019 and 2018 was \$77,824 and \$71,816, respectively.

##### Investments

The Organization reports its investments in equity securities with readily determinable values and all debt securities at fair market value. Unrealized gains and losses are included in the change in net assets, in the accompanying statement of activities.

The following is a summary of investment returns for the year ended June 30:

	<u>2019</u>	<u>2018</u>
Marketable securities, at fair market value	\$ 313,926	\$ 200,621
Marketable securities, at cost	<u>304,752</u>	<u>200,291</u>
Unrealized investment gain	<u>\$ 9,274</u>	<u>\$ 330</u>

## Notes to Financial Statements - Continued

# Mid Coast Hunger Prevention Program

### Note A - Summary of Significant Accounting Policies - Continued

#### **Comparative Data**

The financial statements include certain prior-year summarized comparative information in total but not by net asset class and functional expenses by program. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2018, from which the summarized information was derived. Certain reclassifications have been made to the prior year financial statements in order for them to be in conformity with the current year presentation.

#### **Expense Allocation**

The financial statements report certain categories of expenses that are attributable to more than one program or supporting functions of the Organization. Those expenses include salaries and benefits, professional development, office management, and building management. Salaries and benefits are allocated based on estimates of time and effort. Certain costs of professional development, office management, building management, and other expense categories are based on management's estimate of the appropriate allocations for each expense.

#### **New Accounting Pronouncement**

In August 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*, which is intended to improve how a not-for-profit entity classifies its net assets, as well as the information it presents in its financial statements about its liquidity and availability of resources, expenses and investment returns, and cash flows. The guidance replaces the three classes of net assets previously presented on the statement of financial position with two new classes of net assets, which are based on the existence or absence of donor-imposed restrictions. ASU No. 2016-14 includes specific disclosure requirements intended to improve a financial statement user's ability to assess an entity's available financial resources, along with its management of liquidity and liquidity risk.

#### **Pending Accounting Pronouncement**

In May 2014, the Financial Accounting Standards Board issued ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606). ASC 606 (as revised) is a single, principle-based model for recognizing contract revenue and related incremental expenses. For entities other than public business entities, certain not-for-profit entities, and certain employee benefit plans, the Standard is effective for annual reporting periods beginning after December 15, 2018. The new Standard will be adopted by the Organization beginning in July 1, 2019 and may include certain retrospective adjustments at that time. The effects on the Organization's future financial statements of these changes have not yet been determined.

## Notes to Financial Statements - Continued

### Mid Coast Hunger Prevention Program

#### Note B - Board Restricted Cash and Investments

The Board of Directors has internally restricted cash and investments for purposes of a general operating reserve and future facilities repairs and replacement that totaled \$515,554 at June 30, 2019.

#### Note C - Concentrations of Credit Risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalent accounts in financial institutions. Cash and cash equivalents that exceeded federally insured limits totaled \$107,537 and \$158,107 at June 30, 2019 and 2018, respectively.

#### Note D - Promises to Give

Unconditional promises to give at June 30 were as follows:

	<u>2019</u>	<u>2018</u>
Receivable in less than one year	\$ 6,500	\$ 10,857
Receivable in one to two years	-	6,500
Total unconditional promises to give	<u>6,500</u>	<u>17,357</u>
Less allowance for uncollectible promises to give	-	1,000
Less discounts to net present value	-	3,000
Net unconditional promises to give	<u>\$ 6,500</u>	<u>\$ 13,357</u>

At June 30, 2019 and 2018, \$0 and \$125, respectively, in promises to give are due from members of the Organization's Board of Directors.

#### Note E - Property and Equipment

Property and equipment consisted of the following as of June 30:

	<u>2019</u>	<u>2018</u>
Land	\$ 17,886	\$ 17,886
Furniture and equipment	269,024	239,522
Vehicle	119,791	119,791
Building	<u>1,065,321</u>	<u>1,070,539</u>
	1,472,022	1,447,738
Less accumulated depreciation	<u>492,318</u>	<u>414,494</u>
	<u>\$ 979,704</u>	<u>\$ 1,033,244</u>

## Notes to Financial Statements - Continued

### Mid Coast Hunger Prevention Program

#### Note F - Investments

Investments consist of various securities and are stated at fair value as of June 30:

	<u>2019</u>	<u>2018</u>
Money market	\$ 20,192	\$ 6,360
Common stock	75,392	50,798
Exchange traded funds - equities	95,978	63,387
Exchange traded funds - fixed income	122,364	80,076
	<u>\$ 313,926</u>	<u>\$ 200,621</u>

#### Note G - Fair Value Measurements

The Organization applies a framework for measuring fair values under generally accepted accounting principles which applies to all financial instruments that are measured and reported at fair value.

The framework for measuring fair value of financial assets and liabilities includes a hierarchy of three levels for observable independent market inputs and unobservable market assumptions. A description of the inputs used in the valuation of assets and liabilities under this hierarchy is as follows:

Level 1 – Quoted prices are available in active markets, such as the New York or American Stock Exchange markets, for identical investments as of the reporting date. Level 1 also includes U.S. Treasury and federal agency securities and mortgage-backed securities traded by brokers or dealers in active markets.

Level 2 – Pricing inputs are observable for the investments, either directly or indirectly, as of the reporting date, but are not the same as those used in Level 1. Fair values are obtained from third party pricing services that may use models or other valuation methodologies to derive market value. These may be investments traded in less active dealer or broker markets.

Level 3 – Pricing inputs are unobservable for investments and valuations are derived from other methodologies not based on market exchange, dealer or broker traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets and liabilities. The types of investments in this category would generally include debt and equity securities issued by private entities and partnerships.

## Notes to Financial Statements - Continued

### Mid Coast Hunger Prevention Program

#### Note G - Fair Value Measurements - Continued

The following summarizes fair values of investment assets by levels within the fair value hierarchy at June 30, 2019:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments:				
Money market	\$ 20,192	\$ -	\$ -	\$ 20,192
Common stock	75,392	-	-	75,392
Equity ETFs	95,978	-	-	95,978
Fixed income ETFs	122,364	-	-	122,364
	<u>\$ 313,926</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 313,926</u>

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the determination of which category within the fair value hierarchy is appropriate for any given investment based on the lowest level of input that is significant to the fair value measurement. All assets have been valued using a market approach. There have been no changes in valuation techniques and related inputs.

#### Note H - Board Designated Net Assets

The Board of Directors has designated a portion of its net assets for the following purposes:

	<b><u>2019</u></b>	<b><u>2018</u></b>
General operating reserve	\$ 312,050	\$ 301,750
Future facility repair and replacement	<u>203,504</u>	<u>201,806</u>
	<u>\$ 515,554</u>	<u>\$ 503,556</u>

## Notes to Financial Statements - Continued

### Mid Coast Hunger Prevention Program

#### Note I - Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes at June 30:

	<u>2019</u>	<u>2018</u>
<i>Subject to expenditure for specified purpose:</i>		
Backpack pantry	\$ 12,865	\$ 5,000
Restricted foundation support	15,651	38,000
Summer Food Service Program	3,323	8,884
Building support	1,000	1,000
Staff support	212	3,000
Capital Campaign	15,958	16,958
Annual Fund	2,500	3,857
Food mobile	-	3,000
Food pantry	-	17,500
Auto maintenance	-	2,592
Total net assets with donor restrictions	<u>\$ 51,509</u>	<u>\$ 99,791</u>

#### Note J - Liquidity and Availability

Financial assets consist of the Organization's cash, investments, accounts receivable, and promises to give. The following reflects the Organization's financial assets as of June 30, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the date of the Statement of Net Position.

Financial assets available to meet cash needs for general expenditures within one year consists of the following at June 30:

	<u>2019</u>	<u>2018</u>
Financial assets, at year end	\$ 790,293	\$ 768,181
Less those unavailable for general expenditures within one year, due to:		
<i>Contractual or donor-imposed restrictions</i>		
Restricted by donor with time or purpose restrictions	(51,509)	(99,791)
<i>Board designations:</i>		
General operating reserve	(312,050)	(301,750)
Future facility repair and replacement	<u>(203,504)</u>	<u>(201,806)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 223,230</u>	<u>\$ 164,834</u>



## **Notes to Financial Statements - Continued**

### **Mid Coast Hunger Prevention Program**

#### **Note J - Liquidity and Availability - Continued**

The Organization's financial assets available to meet cash needs for general expenditures within one year represents funding for ongoing operational requirements and planned increases in program expenditures in 2020.

The Organization is substantially supported by contributions from donors. The Organization actively manages its cash flow to ensure funds are available for general expenditures, liabilities, and other obligations as they come due. Although the Organization does not intend to spend the board designated funds listed above, amounts from these funds can be appropriated if necessary.

#### **Note K - Retirement Plan**

The Organization has established a SIMPLE retirement plan for its full-time staff. Under this arrangement, the Organization matches elective deferrals made by the participants' up to a maximum match of 3% of the participants' compensation in 2019. Employer matching contributions during the year ended June 30, 2019 amounted to \$6,008.

#### **Note L - Income Taxes**

The Organization qualifies as an organization exempt from federal income tax under Internal Revenue Code Section 501(c)(3) and files a Form 990 tax return. With few exceptions, the Organization is no longer subject to U.S. federal income tax examinations by tax authorities for years before 2016 due to statute of limitations. The Organization has adopted the provisions of FASB ASC, *Income Taxes*. Management of the Organization believes it has no material uncertain tax positions and, accordingly it will not recognize any liability for unrecognized tax benefits.

#### **Note M - Commitment**

On October 6, 2016 the Organization entered into an agreement with ReVision Investments, LLC whereas ReVision Investments, LLC agreed to develop, design, construct, own, and operate a solar powered electric generating project at the Organization. The Organization agrees to buy electric energy produced by the project for twenty-five years, with the option to purchase the solar panels after seven years, in which case the payments under this agreement would cease. Expenses related to this agreement totaled \$6,782 for the year ended June 30, 2019.

## Notes to Financial Statements - Continued

### Mid Coast Hunger Prevention Program

#### Note M - Commitment - Continued

Future estimated payments under this agreement as of June 30, 2019 are as follows:

2020	\$	7,351
2021		7,422
2022		7,497
2023		8,109
2024		8,725

#### Note N - Subsequent Events

Management has made an evaluation of subsequent events to and including December 19, 2019, which was the date the financial statements were available to be issued, and determined that any subsequent events that would require recognition or disclosure have been considered in the preparation of the financial statements.

## Schedule of Operations on a Budgetary Basis

### Mid Coast Hunger Prevention Program

For the Year Ended June 30, 2019

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
<b>Sources of Funds</b>			
Contributions	\$ 510,833	\$ 469,933	\$ 40,900
Fundraising	15,897	22,000	(6,103)
Grants and bequests	118,912	135,000	(16,088)
United Way	54,952	56,840	(1,888)
Government	73,975	69,193	4,782
Interest	5,592	4,000	1,592
Other	11,099	9,500	1,599
Net assets released from restrictions	<u>79,120</u>	<u>17,965</u>	<u>61,155</u>
<b>Total Sources of Funds</b>	<b>870,380</b>	<b>784,431</b>	<b>85,949</b>
<b>Uses of Funds</b>			
Office management	39,808	31,264	8,544
Volunteer management	1,724	2,200	(476)
Professional development	6,971	3,870	3,101
Salaries and benefits	503,109	503,556	(447)
Purchased food and supplies	151,200	135,794	15,406
Auto expense	12,783	15,180	(2,397)
Building management	105,296	78,441	26,855
Fundraising expenses	12,493	13,617	(1,124)
Miscellaneous	<u>447</u>	<u>509</u>	<u>(62)</u>
<b>Total Uses of Funds</b>	<b>833,831</b>	<b>784,431</b>	<b>49,400</b>
<b>Sources Over Uses of Funds</b>	<b>\$ 36,549</b>	<b>\$ -</b>	<b>\$ 36,549</b>

See accompanying independent auditors' report.