

**Mission at the Eastward
Financial Statements
For the Years Ended
December 31, 2021 and 2020**



AUSTIN ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

Your Financial Team

Mission at the Eastward
Financial Statements
For the Years Ended December 31, 2021 and 2020

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AUSTIN ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors
Mission at the Eastward
Farmington, Maine

We have reviewed the accompanying financial statements of Mission at the Eastward, (a non-profit organization), which comprise the statements of financial position as of December 31, 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. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

Accountant's Responsibility

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

We are required to be independent of Mission at the Eastward and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountant's Conclusion

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

Austin Associates P.A.

AUSTIN ASSOCIATES, P.A.
Certified Public Accountants

Auburn, Maine
March 16, 2022

Mission at the Eastward
Statements of Financial Position
December 31, 2021 and 2020

	2021	2020
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 277,893	\$ 171,713
Promises to give	45,000	-
Total current assets	322,893	171,713
Property and Equipment		
Leasehold improvements	26,300	-
Vehicles	42,379	49,879
Less - Accumulated depreciation	43,055	43,004
Net property and equipment	25,624	6,875
Other Assets		
Investments	42,546	35,522
Perpetual trust	65,295	56,304
Total other assets	107,841	91,826
Total Assets	\$ 456,358	\$ 270,414
LIABILITIES & NET ASSETS		
Current Liability - payroll liabilities		
Total liabilities	\$ 176	\$ 1,471
	176	1,471
Net Assets		
Without donor restrictions	222,537	175,511
Without donor restrictions - board designated	60,931	-
With donor restrictions	172,714	93,432
Total net assets	456,182	268,943
Total Liabilities & Net Assets	\$ 456,358	\$ 270,414

See independent accountant's review report.
The accompanying notes are an integral part of
these statements.

Mission at the Eastward
Statement of Activities
For the Year Ended December 31, 2021

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Totals</u>
Support, Revenues & Gains			
Donations	\$ 129,812	\$ -	\$ 129,812
Grants and sponsorships	-	169,850	169,850
Program income	20,550	-	20,550
Fundraising events	1,439	-	1,439
In-kind income	1,345	-	1,345
Other income	2,417	-	2,417
Interest and dividend income	1,401	-	1,401
Loss on disposition of fixed asset	(250)	-	(250)
Change in value of perpetual trust	-	8,991	8,991
Realized and unrealized gains	3,699	-	3,699
Net assets released from restrictions	<u>99,559</u>	<u>(99,559)</u>	<u>-</u>
Total support, revenues & gains	259,972	79,282	339,254
Expenses			
Program services	107,812	-	107,812
General and administrative	<u>44,203</u>	<u>-</u>	<u>44,203</u>
Total expenses	<u>152,015</u>	<u>-</u>	<u>152,015</u>
Change in Net Assets	107,957	79,282	187,239
Net Assets, Beginning of Year	<u>175,511</u>	<u>93,432</u>	<u>268,943</u>
Net Assets, End of Year	<u>\$ 283,468</u>	<u>\$ 172,714</u>	<u>\$ 456,182</u>

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**Mission at the Eastward
Statement of Activities
For the Year Ended December 31, 2020**

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Totals</u>
Support, Revenues & Gains			
Donations	\$ 145,786	\$ -	\$ 145,786
Grants and sponsorships	61,778	15,629	77,407
Program income	4,150	-	4,150
Fundraising events	1,011	-	1,011
Other income	1,954	-	1,954
Interest and dividend income	1,999	-	1,999
Change in value of perpetual trust	-	3,924	3,924
Realized and unrealized gains	<u>2,765</u>	<u>-</u>	<u>2,765</u>
Total support, revenues & gains	219,443	19,553	238,996
Expenses			
Program services	80,241	-	80,241
General and administrative	<u>47,633</u>	<u>-</u>	<u>47,633</u>
Total expenses	<u>127,874</u>	<u>-</u>	<u>127,874</u>
Change in Net Assets	91,569	19,553	111,122
Net Assets, Beginning of Year	<u>83,942</u>	<u>73,879</u>	<u>157,821</u>
Net Assets, End of Year	<u>\$ 175,511</u>	<u>\$ 93,432</u>	<u>\$ 268,943</u>

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these statements.

Mission at the Eastward
Statement of Functional Expenses
For the Year Ended December 31, 2021

	Program Services	General & Admin	Total
Advertising and promotion	\$ 903	\$ -	\$ 903
Depreciation expense	1,801	-	1,801
Donation	22,355	-	22,355
Dues and subscriptions	-	739	739
Employee benefits	4,236	4,236	8,472
Housing benefits	5,921	5,921	11,842
In-kind expense	1,080	265	1,345
Insurance	5,127	5,127	10,254
Office expense	3,040	3,040	6,080
Other expenses	3,860	3,860	7,720
Payroll	9,463	9,463	18,926
Payroll taxes	1,134	1,134	2,268
Postage and shipping	827	827	1,654
Professional fees	2,676	2,676	5,352
Program expense	34,695	-	34,695
Repairs and maintenance	8,355	-	8,355
Technology	-	2,719	2,719
Travel	-	1,857	1,857
Utilities	1,457	1,457	2,914
Workers compensation insurance	882	882	1,764
Total Expenses	\$ 107,812	\$ 44,203	\$ 152,015

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these statements.

Mission at the Eastward
Statement of Functional Expenses
For the Year Ended December 31, 2020

	Program Services	General & Admin	Total
Advertising and promotion	\$ 2,137	\$ -	\$ 2,137
Depreciation expense	625	-	625
Donation	2,700	-	2,700
Employee benefits	4,342	4,342	8,684
Housing benefits	7,106	7,106	14,212
Insurance	2,664	2,664	5,328
Office expense	1,122	1,122	2,244
Other expenses	388	388	776
Payroll	23,005	23,005	46,010
Payroll taxes	2,298	2,298	4,596
Postage and shipping	958	958	1,916
Professional fees	960	960	1,920
Program expense	28,458	-	28,458
Real estate taxes	349	349	698
Repairs and maintenance	965	-	965
Technology	-	180	180
Travel	-	2,097	2,097
Utilities	1,534	1,534	3,068
Workers compensation insurance	630	630	1,260
Total Expenses	<u>\$ 80,241</u>	<u>\$ 47,633</u>	<u>\$ 127,874</u>

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Mission at the Eastward
Statements of Cash Flows
For the Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash Flows From Operating Activities		
Change in net assets	\$ 187,239	\$ 111,122
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	1,801	625
Loss on the disposition of fixed asset	250	-
Unrealized gains on investments	(3,699)	(2,765)
Unrealized gains on perpetual trust	(8,991)	(3,923)
(Increase) Decrease in operating assets		
Promises to give	(45,000)	389
Increase (Decrease) in operating liabilities		
Accrued expenses	<u>(1,295)</u>	<u>104</u>
Net cash provided by operating activities	130,305	105,552
Cash Flows From Investing Activities		
Capital expenditures	(26,300)	(7,500)
Proceeds from the sale of fixed asset	5,500	-
Purchases of investments, net	<u>(3,325)</u>	<u>(3,873)</u>
Net cash used in investing activities	(24,125)	(11,373)
Net Increase in Cash and cash equivalents	106,180	94,179
Cash and cash equivalents, beginning of year	<u>171,713</u>	<u>77,534</u>
Cash and cash equivalents, end of year	<u>\$ 277,893</u>	<u>\$ 171,713</u>

See independent accountant's review report.
The accompanying notes are an integral part of
these statements.

NOTE 1: Nature of Activities

Mission at the Eastward is a Maine not-for-profit organization. The Mission at the Eastward (the Organization) is a forward-looking, innovative non-profit that focuses on service programs that help communities located in Central Western Maine. The Organization's mission is *to love our neighbors through home repairs and youth outreach to create lives of hope, security, and dignity in Central Western Maine*. The Organization's vision is *building lives, we envision a community of help, hope and connection through Mission at the Eastward's Housing Ministry and Mission at the Eastward Youth Connection*.

NOTE 2: Summary of Accounting Policies**Basis of Presentation**

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). GAAP requires all resources be classified for reporting purposes based on the existence or absence of donor-imposed restrictions. This is accomplished by classifying net assets into two categories: without donor restrictions and with donor restrictions. Descriptions of the two net asset categories are as follows:

Without donor restrictions

General: Includes assets that are available for general operations of the Organization.

Board Designated: Includes assets set aside by the board of directors to be used at their discretion for specific projects.

With donor restrictions

Includes assets subject to donor-imposed stipulations that they be maintained permanently by the Organization as well as gifts or contributions whose use by the Organization is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed from restriction by actions of the Organization pursuant to those stipulations. When a restriction expires, 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.

Cash and Cash Equivalents

For purposes of reporting cash flows, cash equivalents include all short-term fixed income investments with an original maturity of ninety days or less.

Property and Equipment

Fixed assets are stated at cost less accumulated depreciation. Donated fixed assets are recorded at fair value at the time of donation. Depreciation is computed on the straight-line method over the estimated useful lives of the related assets.

Contributions and Promises to Give

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Conditional contributions, including conditional promises to give, are not recognized until they become unconditional, that is when the conditions on which they depend are substantially met. Contributions are recorded as with donor restrictions or without donor restrictions, depending on the donor intent.

During 2020, the Organization received a Paycheck Protection Program (PPP) loan of \$7,907. The Organization treated the loan as a conditional contribution in accordance with ASC 958-605. As such, the conditional contribution would not be recognized as revenue until the conditions on which it depended were substantially met or explicitly waived. Because qualifying expenses of \$7,907 were incurred during 2020 and loan forgiveness was received in February 2021, the funds were recognized as grant revenue during 2020.

Revenue Recognition

In 2019, the Organization adopted the provisions of Accounting Standards Update No. 2014-09, *Revenue from Contracts with Customers* (Topic 606) and Accounting Standards Update No. 2018-08, *Not-For-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The Organization recognizes revenue from exchange transactions when the earnings process is complete and goods have been delivered or services performed. Income from events is recognized when the related event has been held and collectability is assured. Revenue from all other significant sources is recognized either when the associated performance obligation is satisfied, as in sponsorships, or at a single point in time when ownership, risks and rewards transfer.

Investments

Under FASB ASC 958-325, investments in marketable securities with readily determinable fair values, and all investments in debt securities, are reported at their fair values in the statements of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in net assets without donor restrictions if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

Investment fees included in investment income on the statement of activities totaled \$1 and \$5 for the years ended December 31, 2021 and 2020, respectively.

Perpetual Trust Held by Third Party

The Organization is the beneficiary of the income from a trust held in perpetuity by an independent trustee. The Organization has an irrevocable right to receive the income earned on the trust assets but will never receive the invested asset value of the trust. The income distributed to the Organization shall be used as unrestricted earnings to support the mission of the Organization. The fair value of the investments held by the trust is included in net assets with donor restrictions. The statements of activities and changes in net assets reflects the change in the fair market value that occurs as a result of market fluctuations in addition to undistributed current earnings. The amount is reported as the net change in the perpetual trust in the statements of activities and changes in net assets.

Functional Allocation of Expenses

The costs of providing programs and other activities are summarized in the statements of functional expenses. Costs have been allocated among program, general and administrative and fundraising based on estimated payroll, space utilization or other rational means.

Advertising Costs

The Organization uses various forms of advertising and public relations to promote its programs among the communities it serves. Advertising and promotion costs are expensed as incurred. Advertising and promotion expense for the years ended December 31, 2021 and 2020 were \$903 and \$2,137, respectively.

Income Taxes

Effective as of 2019, Mission at the Eastward became a nonprofit organization described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes.

The Organization does not believe it has done anything in the past year that would jeopardize its tax-exempt status. The Organization reports its activities to the Internal Revenue Service in an annual information return, IRS Form 990. These filings are, generally, subject to review by the tax authorities for three years after they have been filed.

Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Accordingly, actual results could differ from those estimates.

NOTE 3: Cash

The Organization maintains its cash balances at financial institutions located in Maine. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. As of December 31, 2021, the Organization had no uninsured balances at any financial institution. The Organization has not experienced any losses in these accounts and believes they are not exposed to any significant risk on cash.

NOTE 4: Financial Assets and Liquidity Resources

The goal of the Organization is to meet financial obligations as they come due. The Organization uses cash budgeting techniques to help forecast cash disbursements on collections. As of December 31, 2021 and 2020, financial assets and liquidity resources available within one year for general expenditure, such as operating expenses, were as follows:

Table 1	<u>2021</u>	<u>2020</u>
Financial Assets:		
Cash	\$ 277,893	\$ 171,713
Promises to give	45,000	-
Less amounts unavailable for general expenditure:		
Donor restrictions for time or purpose	(172,714)	(93,432)
Board designations	<u>(60,931)</u>	<u>-</u>
Total financial assets and liquidity resources available within one year	<u>\$ 89,248</u>	<u>\$ 78,281</u>
Financial Assets and Liquidity Resources		

NOTE 5: Investments

Investments consisted of the following at December 31, 2021 and 2020:

Table 2	<u>Fair Value</u>	<u>Cost</u>
December 31, 2021		
Mutual funds	\$ 42,529	\$ 22,351 *
Money market funds	<u>17</u>	<u>15</u>
Total investments	<u>\$ 42,546</u>	<u>\$ 22,366</u>
December 31, 2020		
Mutual funds	\$ 35,507	\$ 19,831 *
Money market funds	<u>15</u>	<u>15</u>
Total investments	<u>\$ 35,522</u>	<u>\$ 19,846</u>
* Cost basis is not available by the investment company and is estimated based on the Organization's deposits and withdrawals since inception		
Investments		

The following schedule summarizes the investment income and its classification in the statements of activities for the year ended December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Interest and dividends	\$ 1,383	\$ 1,896
Net realized/unrealized gains	<u>3,670</u>	<u>2,770</u>
Total	<u>\$ 5,053</u>	<u>\$ 4,666</u>
Investment Income		

Fair Value Measurements

Fair value is defined as the price at which an asset could be exchanged or a liability transferred (an exit price) in an orderly transaction between knowledgeable, willing parties in the principal or most advantageous market for the asset or liability. When available, fair value is based on observable market prices or parameters or derived from such prices or parameters. When observable inputs are not available, valuation models are applied.

Financial assets recorded at fair value in the accompanying financial statements are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Hierarchical levels, defined by FASB ASC 820-10 and directly related amounts of subjectivity associated with the inputs to fair valuation of these assets and liabilities are listed below:

Level 1

Inputs unadjusted, quoted prices in active markets for identical assets at the reporting date. Active markets are those in which transactions for the asset or liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2

Inputs are other than quoted prices included in Level 1, which are either directly or indirectly observable for the asset or liability through correlation with market data at the reporting date and for the duration of the instrument's anticipated life.

Level 3

Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities and which reflect management's best estimate of what market participants would use in pricing the asset or liability at the reporting date. Consideration is given to the risk inherent in the valuation technique and the risk inherent in the inputs to the model.

Transfers between levels are recognized as of the actual date of the event or change in circumstance that caused the transfer. During the years ended December 31, 2021 and 2020, there were no transfers between levels.

Assets and liabilities at fair value on a recurring basis are summarized below.

Fair value measurements at December 31, 2021 and 2020 were as follows:

Table 4	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
December 31, 2021			
Available-for-sale securities	\$ 42,546	\$ -	\$ -
December 31, 2020			
Available-for-sale securities	\$ 35,522	\$ -	\$ -
Fair Value Measurements			

NOTE 6: Operating Lease

The Organization has a covenantal space sharing agreement with Fairbanks Union Church for space located at 583 and 587 Fairbanks Road in Farmington, Maine for \$1 per year with no set expiration date. Total rent expense under the agreement was \$1 for the years ended December 31, 2021 and 2020. No amounts have been included in the accompanying financial statements for donated lease space because the fair market value of the space cannot be reasonably estimated.

The Organization had a memorandum of understanding with Presbytery of Northern New England (PNNE) for space used for the Organization's youth summer camp program, Camp at the Eastward, for \$1 per year with no set expiration date. During February 2021, the board voted to discontinue the program. Total rent expense under the agreement was \$1 for the year ended December 31, 2020. No amounts have been included in the accompanying financial statements for donated lease space because the fair market value of the space cannot be reasonably estimated.

On June 1, 2021, the Organization entered into a lease agreement with Fairbanks Union Church for space used for the Organization's McCleary House project. The agreement does not have any set rental expense terms; however, the Organization agrees to pay for the restoration of the property. Capital improvements made to the property are included in leasehold improvements and totaled \$26,300 for the year ended December 31, 2021. The lease agreement expires on May 31, 2031. No amounts have been included in the accompanying financial statements for donated lease space because the fair market value of the space cannot be reasonably estimated.

NOTE 7: Concentration

The Organization received 39% of its total revenue during the year ended December 31, 2021 from two major donors.

The Organization received 21% of its total revenue during the year ended December 31, 2020 from one major donor.

NOTE 8: Related Party Transactions

The Organization belongs to a family of Presbyterian churches and service ministries. As such, 50% of the Reverend's salary, housing and benefits are paid for by the Organization. The remaining 50% is shared between the Fairbanks Union Church and North New Portland Community Church. The salary and benefits are paid for and reimbursed to Fairbanks Church.

NOTE 9: Net Assets with Donor Restrictions

See Table 5 for a summary of net assets with donor restrictions as of December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Funds held in perpetual trust	\$ 65,295	\$ 56,304
Camp at the Eastward	-	20,000
Housing ministry	-	17,128
McCleary project	103,373	-
Youth ministry	3,046	-
Critical needs	<u>1,000</u>	<u>-</u>
Total net assets with donor restrictions	<u>\$ 172,714</u>	<u>\$ 93,432</u>

Net Assets with Donor Restrictions

NOTE 10: Net Assets with Board Designations

As of December 31, 2021, the Organization had board designated net assets totaling \$60,931. Of that amount, \$50,931 was designated for the Organization's housing ministry and \$10,000 for the Organization's McCleary House project.

NOTE II: Contingency

As of March 16, 2022, state and federal governments have published guidelines to attempt to curtail the spread of the global pandemic (COVID-19). Many industries are experiencing some level of disruption to business operations and the impact of reduced consumer spending. These conditions have continued to exist subsequent to December 31, 2021 and there is uncertainty surrounding the duration of the pandemic, its potential economic ramifications, and any government actions to mitigate them. Accordingly, while management expects this matter may have a financial impact on the Organization's financial position and results of future operations, such potential impact cannot be reasonably estimated.

NOTE 12: Subsequent Events

The Organization has evaluated events, if any, that have occurred subsequent to December 31, 2021 through March 16, 2022, the date the financial statements were available to be issued, and included information in the notes to the financial statements related to any identifiable events, if necessary.