



FINANCIAL STATEMENTS

December 31, 2020

With Independent Auditor's Report



INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Maine Coast Heritage Trust

We have audited the accompanying financial statements of Maine Coast Heritage Trust (the Organization), which comprise the statement of financial position as of December 31, 2020, and the related statements 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 U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to error or fraud. 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 obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2020, 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.

The Board of Directors
Maine Coast Heritage Trust

Report on Summarized Comparative Information

We have previously audited the Organization's 2019 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated July 29, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Berry Dunn McNeil & Parker, LLC

Bangor, Maine
July 22, 2021

MAINE COAST HERITAGE TRUST

Statement of Financial Position

December 31, 2020

(With Comparative Totals for December 31, 2019)

ASSETS

	2020					Total	2019 Total
	<u>Operating</u>	<u>Operating Endowment</u>	<u>Stewardship Investments</u>	<u>Revolving Loan</u>	<u>Special Projects</u>		
Cash and cash equivalents	\$ 1,782,046	\$ -	\$ -	\$ 2,263,555	\$ -	\$ 4,045,601	\$ 1,789,290
Cash restricted for long-term purposes	12,628,775	-	-	-	-	12,628,775	12,885,141
Accounts and accrued interest receivable	61,027	-	-	375	-	61,402	137,280
Bequests receivable, net	1,354,777	-	2,783,126	-	-	4,137,903	4,073,024
Pledges and grants receivable, net	14,529,869	28,055	220,503	-	-	14,778,427	18,078,327
Due (to) from other funds	(2,219,675)	5,000	73,175	2,143,000	(1,500)	-	-
Notes receivable	250,000	-	-	42,947	-	292,947	358,361
Investments	12,940,614	41,688,153	49,822,033	-	3,280,367	107,731,167	92,493,663
Beneficial interest in split-interest agreements	5,517,242	-	-	-	-	5,517,242	5,397,103
Property and equipment, net of accumulated depreciation	4,012,408	-	-	-	-	4,012,408	2,794,846
Deposits and other assets	304,934	-	-	-	-	304,934	310,260
Land	<u>110,286,506</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>110,286,506</u>	<u>104,056,424</u>
Total assets	<u>\$ 161,448,523</u>	<u>\$ 41,721,208</u>	<u>\$ 52,898,837</u>	<u>\$ 4,449,877</u>	<u>\$ 3,278,867</u>	<u>\$ 263,797,312</u>	<u>\$ 242,373,719</u>

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

LIABILITIES AND NET ASSETS

	2020					Total	2019 Total
	<u>Operating</u>	<u>Operating Endowment</u>	<u>Stewardship Investments</u>	<u>Revolving Loan</u>	<u>Special Projects</u>		
Liabilities							
Accounts payable	\$ 543,064	\$ -	\$ -	\$ -	\$ -	\$ 543,064	\$ 421,584
Deferred revenue	15,275	-	-	-	-	15,275	19,221
Accrued expenses and other liabilities	<u>647,374</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>647,374</u>	<u>412,374</u>
Total liabilities	<u>1,205,713</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,205,713</u>	<u>853,179</u>
Net assets							
Without donor restrictions							
Available for operations	4,141,232	-	-	4,093,655	-	8,234,887	4,810,847
Board-designated	1,173,700	17,021,787	24,899,184	106,222	3,278,867	46,479,760	39,526,928
Net investment in land, property and equipment	<u>114,298,914</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>114,298,914</u>	<u>106,851,270</u>
Total net assets without donor restrictions	119,613,846	17,021,787	24,899,184	4,199,877	3,278,867	169,013,561	151,189,045
With donor restrictions	<u>40,628,964</u>	<u>24,699,421</u>	<u>27,999,653</u>	<u>250,000</u>	<u>-</u>	<u>93,578,038</u>	<u>90,331,495</u>
Total net assets	<u>160,242,810</u>	<u>41,721,208</u>	<u>52,898,837</u>	<u>4,449,877</u>	<u>3,278,867</u>	<u>262,591,599</u>	<u>241,520,540</u>
Total liabilities and net assets	<u>\$ 161,448,523</u>	<u>\$ 41,721,208</u>	<u>\$ 52,898,837</u>	<u>\$ 4,449,877</u>	<u>\$ 3,278,867</u>	<u>\$ 263,797,312</u>	<u>\$ 242,373,719</u>

MAINE COAST HERITAGE TRUST

Statement of Activities

Year Ended December 31, 2020

(With Comparative Totals for the Year Ended December 31, 2019)

	<u>2020</u>						<u>2019</u>
	<u>Operating</u>	<u>Operating Endowment</u>	<u>Stewardship Investments</u>	<u>Revolving Loan</u>	<u>Special Projects</u>	<u>Total</u>	<u>Total</u>
Changes in net assets without donor restrictions							
Revenues and gains							
Contributions and grants	\$ 4,212,353	\$ 485,000	\$ -	\$ -	\$ -	\$ 4,697,353	\$ 4,805,050
Donated land	4,033,825	-	-	-	-	4,033,825	800,000
Interest and dividend income	270,522	17,812	25,946	10,828	3,513	328,621	706,738
Net gain on investments	195,925	2,551,906	3,741,343	-	491,137	6,980,311	4,893,727
Investment income transfers	2,054,507	(569,083)	(1,347,724)	-	(137,700)	-	-
Farm operations revenue	58,011	-	-	-	-	58,011	64,611
Other, net	231,424	-	-	-	-	231,424	186,082
Net assets released from restrictions							
Investment income transfer	839,241	-	-	-	-	839,241	880,516
Aldermere contributions and investment income	367,939	-	-	-	-	367,939	315,828
Land protection and other	<u>9,137,455</u>	<u>-</u>	<u>1,537,312</u>	<u>-</u>	<u>-</u>	<u>10,674,767</u>	<u>7,097,949</u>
Total revenues and gains without donor restrictions	<u>21,401,202</u>	<u>2,485,635</u>	<u>3,956,877</u>	<u>10,828</u>	<u>356,950</u>	<u>28,211,492</u>	<u>19,750,501</u>
Expenses							
Operations support	841,970	-	-	-	-	841,970	836,564
Land protection							
Land transaction activity	2,554,086	-	-	-	-	2,554,086	825,548
Other land protection expenses	2,928,317	-	-	-	-	2,928,317	2,422,297
Fund raising	1,046,118	-	-	-	-	1,046,118	1,346,910
Public education and outreach	400,812	-	-	-	-	400,812	556,201
Stewardship	2,060,586	-	-	-	-	2,060,586	1,989,232
Farm operations	<u>555,087</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>555,087</u>	<u>549,292</u>
Total expenses	<u>10,386,976</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,386,976</u>	<u>8,526,044</u>
Change in net assets without donor restrictions	<u>11,014,226</u>	<u>2,485,635</u>	<u>3,956,877</u>	<u>10,828</u>	<u>356,950</u>	<u>17,824,516</u>	<u>11,224,457</u>

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

MAINE COAST HERITAGE TRUST

Statement of Activities (Concluded)

Year Ended December 31, 2020

(With Comparative Totals for the Year Ended December 31, 2019)

	2020					Total	2019 Total
	<u>Operating</u>	<u>Operating Endowment</u>	<u>Stewardship Investments</u>	<u>Revolving Loan</u>	<u>Special Projects</u>		
Changes in net assets with donor restrictions							
Contributions and grants	\$ 6,236,352	\$ 6,162	\$ 76,332	\$ -	\$ -	\$ 6,318,846	\$ 21,509,128
Increase in beneficial interest in split- interest agreements	99,334	-	-	-	-	99,334	797,213
Interest and dividend income	188,393	17,576	25,105	-	-	231,074	129,673
Net gain on investments	1,182,835	3,669,923	3,626,478	-	-	8,479,236	6,484,684
Net assets released from restrictions							
Investment income transfer	-	(839,241)	-	-	-	(839,241)	(1,131,639)
Aldermere contributions and investment income	(367,939)	-	-	-	-	(367,939)	(315,828)
Land protection and other	<u>(9,137,455)</u>	<u>-</u>	<u>(1,537,312)</u>	<u>-</u>	<u>-</u>	<u>(10,674,767)</u>	<u>(7,097,949)</u>
Change in net assets with donor restrictions	<u>(1,798,480)</u>	<u>2,854,420</u>	<u>2,190,603</u>	<u>-</u>	<u>-</u>	<u>3,246,543</u>	<u>20,375,282</u>
Change in net assets	9,215,746	5,340,055	6,147,480	10,828	356,950	21,071,059	31,599,739
Net assets, beginning of year	151,907,856	36,381,153	45,836,872	4,439,049	2,955,610	241,520,540	209,920,801
Transfers between funds	<u>(880,792)</u>	<u>-</u>	<u>914,485</u>	<u>-</u>	<u>(33,693)</u>	<u>-</u>	<u>-</u>
Net assets, end of year	<u>\$ 160,242,810</u>	<u>\$ 41,721,208</u>	<u>\$ 52,898,837</u>	<u>\$ 4,449,877</u>	<u>\$ 3,278,867</u>	<u>\$ 262,591,599</u>	<u>\$ 241,520,540</u>

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

MAINE COAST HERITAGE TRUST

Statement of Functional Expenses

Year Ended December 31, 2020
(With Comparative Totals for the Year Ended December 31, 2019)

	2020						Total	2019 Total
	Operations Support	Land Protection	Fund Raising	Public Education and Outreach	Stewardship	Farm Operations		
Salaries, wages, and payroll taxes	\$ 423,760	\$ 1,406,772	\$ 617,892	\$ 183,474	\$ 1,028,060	\$ 252,647	\$ 3,912,605	\$ 3,824,029
Employee benefits	88,339	277,512	127,326	36,138	228,340	46,493	804,148	896,725
Professional and contract services	136,552	563,232	3,887	58,983	11,586	6,260	780,500	597,537
General and administrative	61,169	129,582	137,685	65,601	85,027	41,096	520,160	660,672
Project expense	2,755	359,256	96,112	28,464	51,928	42,561	581,076	492,100
Travel	1,089	10,996	6,009	54	31,908	961	51,017	108,230
Board and committee meetings	-	9,069	-	-	376	-	9,445	29,428
Land conference	-	6,534	-	-	-	-	6,534	44,151
Insurance	15,451	48,087	21,958	6,111	38,967	17,875	148,449	126,306
Staff training	1,280	7,592	4,075	413	1,333	920	15,613	35,459
Equipment maintenance	19,118	64,380	31,174	21,574	67,919	420	204,585	182,999
Property management	18,361	-	-	-	212,045	19,754	250,160	201,366
Property taxes	-	-	-	-	178,070	5,100	183,170	157,241
Depreciation	10,596	44,890	-	-	108,800	82,442	246,728	217,072
Equipment expense	<u>63,500</u>	<u>415</u>	<u>-</u>	<u>-</u>	<u>16,227</u>	<u>38,558</u>	<u>118,700</u>	<u>127,181</u>
Subtotal	<u>841,970</u>	<u>2,928,317</u>	<u>1,046,118</u>	<u>400,812</u>	<u>2,060,586</u>	<u>555,087</u>	<u>7,832,890</u>	<u>7,700,496</u>
Land transaction activity								
Conservation easements purchased	-	132,740	-	-	-	-	132,740	6,598
Loss on impairment of land and buildings	-	332,463	-	-	-	-	332,463	-
Loss on sale of land	-	-	-	-	-	-	-	100,357
Transfer of land to other organizations	-	1,183,406	-	-	-	-	1,183,406	24,430
Contributions in support of other organizations	<u>-</u>	<u>905,477</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>905,477</u>	<u>694,163</u>
Subtotal	<u>-</u>	<u>2,554,086</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,554,086</u>	<u>825,548</u>
Total	<u>\$ 841,970</u>	<u>\$ 5,482,403</u>	<u>\$ 1,046,118</u>	<u>\$ 400,812</u>	<u>\$ 2,060,586</u>	<u>\$ 555,087</u>	<u>\$ 10,386,976</u>	<u>\$ 8,526,044</u>

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

MAINE COAST HERITAGE TRUST

Statement of Cash Flows

Year Ended December 31, 2020

(With Comparative Totals for the Year Ended December 31, 2019)

	2020						2019 Total
	<u>Operating</u>	<u>Operating Endowment</u>	<u>Stewardship Investments</u>	<u>Revolving Loan</u>	<u>Special Projects</u>	<u>Total</u>	
Cash flows from operating activities							
Change in net assets	\$ 9,215,746	\$ 5,340,055	\$ 6,147,480	\$ 10,828	\$ 356,950	\$ 21,071,059	\$ 31,599,739
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities							
Depreciation	246,728	-	-	-	-	246,728	217,072
Donated land received	(4,033,825)	-	-	-	-	(4,033,825)	(800,000)
Loss on impairment of buildings	35,000	-	-	-	-	35,000	-
Loss on impairment of land	297,463	-	-	-	-	297,463	-
Loss on sale and transfer of land	1,183,406	-	-	-	-	1,183,406	124,787
Gain on sale of cattle and equipment	(16,948)	-	-	-	-	(16,948)	(58,830)
(Decrease) increase in allowance for uncollectible pledges receivable	(38,984)	-	-	-	-	(38,984)	332,914
Net gain on investments	(1,378,760)	(6,221,829)	(7,367,821)	-	(491,137)	(15,459,547)	(11,378,411)
Loss on beneficial interest in split-interest agreements	30,852	-	-	-	-	30,852	42,784
Contributions and investment income restricted for long-term investment	(4,055,481)	-	(56,332)	-	-	(4,111,813)	(5,595,046)
Decrease (increase) in							
Pledges and grants receivable	532,143	18,839	29,707	-	-	580,689	(10,874,485)
Accounts and accrued interest receivable	75,353	-	-	525	-	75,878	115,521
Bequests receivable	(15,169)	-	(49,710)	-	-	(64,879)	1,962,065
Deposits and other assets	5,326	-	-	-	-	5,326	22,901
Increase (decrease) in							
Accounts payable	121,480	-	-	-	-	121,480	207,493
Deferred revenue	(3,946)	-	-	-	-	(3,946)	17,250
Accrued expenses and other liabilities	<u>235,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>235,000</u>	<u>19,282</u>
Net cash provided (used) by operating activities	<u>2,435,384</u>	<u>(862,935)</u>	<u>(1,296,676)</u>	<u>11,353</u>	<u>(134,187)</u>	<u>152,939</u>	<u>5,955,036</u>

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

MAINE COAST HERITAGE TRUST

Statement of Cash Flows (Concluded)

Year Ended December 31, 2020

(With Comparative Totals for the Year Ended December 31, 2019)

	2020					Total	2019 Total
	<u>Operating</u>	<u>Operating Endowment</u>	<u>Stewardship Investments</u>	<u>Revolving Loan</u>	<u>Special Projects</u>		
Cash flows from investing activities							
Purchase of land	\$ (5,162,518)	\$ -	\$ -	\$ -	\$ -	\$ (5,162,518)	\$ (6,566,880)
Proceeds from sale of land	1,250,392	-	-	-	-	1,250,392	353,266
Purchase of property and equipment	(1,328,169)	-	-	-	-	(1,328,169)	(533,920)
Purchase of investments	(381,322)	(543,792)	(1,878,079)	-	-	(2,803,193)	(12,299,760)
Proceeds from sale of investments	73,641	1,408,324	1,347,724	-	195,547	3,025,236	2,748,156
Advances on notes receivable	-	-	-	(42,947)	-	(42,947)	(300,000)
Repayments of notes receivable, net	-	-	-	108,361	-	108,361	282,910
Transfers between funds	(880,792)	-	914,485	-	(33,693)	-	-
Proceeds from sale of cattle and equipment	<u>80,827</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>80,827</u>	<u>161,238</u>
Net cash (used) provided by investing activities	<u>(6,347,941)</u>	<u>864,532</u>	<u>384,130</u>	<u>65,414</u>	<u>161,854</u>	<u>(4,872,011)</u>	<u>(16,154,990)</u>
Cash flows from financing activities							
Change in due to/from other funds	(1,123,495)	(1,597)	(94,076)	1,246,835	(27,667)	-	-
Contributions and investment income received, restricted for long-term investment	5,712,395	-	1,006,622	-	-	6,719,017	4,584,624
Principal payments on notes payable	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(100,000)</u>
Net cash provided (used) by financing activities	<u>4,588,900</u>	<u>(1,597)</u>	<u>912,546</u>	<u>1,246,835</u>	<u>(27,667)</u>	<u>6,719,017</u>	<u>4,484,624</u>
Net increase (decrease) in cash and cash equivalents	676,343	-	-	1,323,602	-	1,999,945	(5,715,330)
Cash and cash equivalents, beginning of year	<u>13,734,478</u>	<u>-</u>	<u>-</u>	<u>939,953</u>	<u>-</u>	<u>14,674,431</u>	<u>20,389,761</u>
Cash and cash equivalents, end of year	<u>\$ 14,410,821</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,263,555</u>	<u>\$ -</u>	<u>\$ 16,674,376</u>	<u>\$ 14,674,431</u>
Composition of cash and cash equivalents, end of year							
Cash and cash equivalents	\$ 1,782,046	\$ -	\$ -	\$ 2,263,555	\$ -	\$ 4,045,601	\$ 1,789,290
Cash restricted for long-term purposes	<u>12,628,775</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,628,775</u>	<u>12,885,141</u>
	<u>\$ 14,410,821</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,263,555</u>	<u>\$ -</u>	<u>\$ 16,674,376</u>	<u>\$ 14,674,431</u>

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

MAINE COAST HERITAGE TRUST

Notes to Financial Statements

December 31, 2020

Purpose of the Organization

Maine Coast Heritage Trust's (the Organization's) mission is to conserve and steward Maine's coastal lands and islands for their renowned scenic beauty, ecological value, outdoor recreational opportunities, and contribution to community well-being. The Organization provides statewide conservation leadership through its work with land trusts, coastal communities, and other partners. The Organization negotiates conservation easements and gifts of fee interest in land on behalf of landowners and various holding agencies and organizations operating in Maine. The Organization accepts gifts of interest in lands that are of statewide significance and, in addition, has also purchased a number of critically important coastal properties. The Organization is also involved in the stewardship of various properties throughout the state of Maine. The Organization's support comes primarily from contributions and return on investments. The Organization is the owner of Conservation Limited Development, LLC whose purpose is to support limited conservation development through ownership, management, leasing, buying, selling, and developing property as authorized by the Organization.

During 2020, the Organization received contributions from approximately 3,500 donors, totaling approximately \$15,000,000.

Approximately \$5,200,000 of these total contributions were received from five donors.

1. Summary of Significant Accounting Policies

Basis of Presentation

The financial statements of the Organization have been prepared in accordance with U.S. generally accepted accounting principles (U.S. GAAP), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

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 organization. These net assets may be used at the discretion of the Organization's management and 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 Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

The assets, liabilities, and net assets of the Organization are reported in five self-balancing fund groups as follows:

- Operating fund, which includes resources with and without donor restriction, represents the portion of funds available for support of the Organization's operations. Functions within the operating fund include operations support, land protection, fund raising, public education and

MAINE COAST HERITAGE TRUST

Notes to Financial Statements

December 31, 2020

outreach, stewardship contributions and expenses (stewardship investment activity is reported in the stewardship investments fund), and Conservation Limited Development, LLC. Included in the Operating fund is Aldermere Farm, which represents resources without donor restrictions and with donor restrictions received through a bequest, including a beneficial interest in a perpetual trust. Distributions from this trust are to be used to fund farm operations in furtherance of the Organization's mission.

- Operating endowment represents contributions without donor restrictions and with donor restrictions, the income from which is to be used for operating fund purposes (excluding land and conservation easement acquisitions), except as needed to be retained in the operating endowment fund so the purchasing power of the contributions with donor restrictions is not eroded.
- Stewardship investments represent the investment activity of the stewardship operations and contribution revenue related thereto. Stewardship investments also includes contributions without donor restrictions and with donor restrictions, the income from which is to be used for stewardship purposes, except as needed to be retained in the stewardship investments fund so the purchasing power of the contributions with donor restrictions is not eroded.
- Revolving loan represents resources held for conservation purposes, including acquisition of land and loans to other conservation organizations.
- Special projects represent resources that are held for board-designated special projects, the income from which is reflected in the operating or special projects fund.

The financial statements include certain prior-year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements as of and for the year ended December 31, 2019, from which the summarized information was derived.

Cash and Cash Equivalents

The Organization considers all highly liquid savings deposits and certificates of deposit with maturities of one year or less when purchased to be cash equivalents.

Pledges, Grants, and Bequests Revenue and Receivables

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions to be received beyond one year from the statement of financial position date are reduced by a discount rate, which is commensurate with the risk involved, to reflect the present value of the future payments to be received. The periodic reduction in the discount is recorded as contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. The Organization recognizes bequests revenue and the related

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receivable when it has obtained an irrevocable bequest agreement from a donor or a donor's will has been through probate. All donor-restricted contributions are reported as increases in net assets with donor restriction. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities as net assets released from restrictions.

The Organization uses the allowance method to determine uncollectible, unconditional pledges receivable. The allowance is based on prior years' experience, history of prior uncollectible accounts, and management's analysis of specific pledges made.

Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the statement of financial position based on quoted market prices. Other investments, for which no such quotations or valuations are readily available, are carried at fair value as estimated by management using values provided by external investment managers. The Organization reviews and evaluates the valuations provided by the investment managers and believes that these valuations are a reasonable estimate of fair value at December 31, 2020, but are subject to uncertainty and, therefore, may differ from the value that would have been used had a ready market for the investments existed.

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

Easements

Contributed conservation easements held by the Organization are not recorded because easements do not represent economic assets or resources. Purchased conservation easements are expensed on the date purchased.

Property and Equipment

Purchased property and equipment are stated at cost at the date of acquisition. Donations of property and equipment are recorded as contributions at their estimated fair value at the date of donation. Depreciation is computed on the straight-line basis over the estimated useful lives of the respective assets.

Gifts of long-lived assets such as buildings or equipment are reported as revenues and gains without donor restrictions, unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used, and gifts of cash or other assets that must be used to acquire long-lived assets, are reported as increases in net assets with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

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Land

Purchased land is recorded at cost and donated land is recorded at appraised fair value at the date of the gift. Gifts of land are reported as increases of net assets without donor restrictions, unless explicit donor stipulations specify how the donated land must be used. Gifts of land with explicit restrictions that specify how the assets are to be used, and gifts of cash or other assets that must be used to acquire land, are reported as increases of net assets with donor restrictions. Absent explicit donor stipulations about how long the land must be maintained, expirations of donor restrictions are reported when the donated or purchased land is acquired.

Impairment of Long-Lived Assets

In accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 360-10-35-17, *Measurement of an Impairment Loss*, long-lived assets are reviewed for impairment when circumstances indicate the carrying value of an asset may not be recoverable. If impairment exists, an adjustment is made to write the asset down to its fair value, and a loss is recorded as the difference between the carrying value and fair value. Fair values are determined based on quoted market values, discounted cash flows, or internal and external appraisals, as applicable. Assets to be disposed of are carried at the lower of carrying value or estimated net realizable value.

Subsequent to the initial purchase or donation of certain land, the Organization has placed conservation easements, declarations of trust, or other similar restrictions on the land which subject the land to certain covenants regarding its preservation and use in perpetuity.

These arrangements result in the fair market value of the land being less than the original carrying value of the land by \$10,132,244 at December 31, 2020. Impairment was primarily determined to be 30% of the value of the land prior to the perpetual restrictions and is based on the State of Maine Open Space Tax Law, which recommends a 70% reduction for purposes of property taxation for forever wild open space land protected by easement or preserve. In accordance with ASC Topic 360-10-35-17, impairment losses were reflected in prior years for restrictions placed on land. There were \$297,463 in impairment losses in 2020.

Credit Risk

The Organization maintains its cash in deposit accounts that may exceed insured limits. The Organization has not experienced any losses in these accounts. The Organization believes it is not exposed to any significant credit risk with respect to these accounts.

Use of Estimates

The preparation of financial statements in conformity with 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.

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Income Taxes

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the Code) and is also exempt from Maine income taxes on its not-for-profit activities. However, it is subject to federal and state income taxes on unrelated business income, as defined by Section 512(a)(1) of the Code. The Organization is not a private foundation.

Conservation Limited Development, LLC is a single-member limited liability company and is a disregarded entity under the Code. Income or loss for Conservation Limited Development, LLC is required to be reported by the member on the Organization's tax return.

Notes and Accounts Receivable

Notes and accounts receivable are stated at the amount management expects to collect from outstanding balances. The Organization considers notes and accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts has been established. If accounts become uncollectible, they will be charged to operations when that determination is made.

Functional Expenses

The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of the Organization. Those expenses include the salaries and wages, payroll taxes, and employee benefits of staff, as well as occupancy and other costs which are allocated based on estimates of time and effort. Total program expenses for the year ended December 31, 2020 were \$8,498,888.

Subsequent Events

For purposes of the preparation of these financial statements in conformity with U.S. GAAP, the Organization has considered transactions or events occurring through July 22, 2021, which was the date that the financial statements were available to be issued.

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2. Pledges, Grants, and Bequests Receivable

Pledges, grants, and bequests receivable at December 31, 2020 are discounted to present value as required using a risk free rate of return, and are expected to be collected in the years outlined below and consist of the following:

	Less than <u>One Year</u>	One to <u>Five Years</u>	More than <u>Five Years</u>	Total Unconditional Promises <u>to Give</u>
Bagaduce River	\$ 174,000	\$ -	-	\$ 174,000
Centers Point	10,000	30,000	-	40,000
Clark Island	33,300	37,250	-	70,550
Cousins River	13,435	7,500	-	20,935
Land Trust Program	10,000	10,000	-	20,000
Places for People	774,980	2,250,000	-	3,024,980
Stone Barn Farm	101,000	3,000	-	104,000
Woodward Point	50,065	46,000	-	96,065
Annual fund	170,146	113,700	-	283,846
Aldermere Endowment	34,295	-	52,000	86,295
Operating Endowment	28,628	-	-	28,628
Stewardship	549,859	27,000	4,100,000	4,676,859
Comprehensive Campaign	10,568,155	169,610	1,591,950	12,329,715
Other donor restricted	<u>13,705</u>	<u>5,200</u>	<u>-</u>	<u>18,905</u>
Total unconditional promises to give	12,531,568	2,699,260	5,743,950	20,974,778
Less: Discount to net present value at 0.14 - 4.0%				(1,759,444)
Allowance for uncollectible pledges				<u>(299,004)</u>
Net pledges, grants and bequests receivable				<u>\$ 18,916,330</u>

In addition, the Organization has received conditional grant funding from the United States Department of the Interior Coastal Wetlands Conservation Grant Program as well as the Fish and Wildlife Service Grant Program, and the State of Maine Land for Maine's Future Program.

As certain conditions of the grants have not been met at December 31, 2020, these are not recognized as assets in the statement of financial position.

The following grants are contingent upon the acquisition of the respective preserves:

- \$117,500 in support of two Maine islands as well as a coastal marsh protection project.
- \$765,000 in support of Fishway Passage River Restoration.
- \$1,000,000 in support of the Rivers Initiative project.
- \$800,000 in support of Community Efforts in the Mount Desert Island region.
- \$1,054,705 in support of two Maine wetlands protection projects.
- \$600,000 in support of the Aldermere Farm, Erikson Fields, and the River Restoration and Marsh Migration efforts in the Downeast region.

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Notes to Financial Statements

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3. Investments

Investments consist of the following:

Mutual and exchange traded funds	\$ 40,574,181
Money market portfolios	3,376,636
Corporate bonds	3,572,392
Other investments	<u>60,207,958</u>
Total investments	<u>\$ 107,731,167</u>

The Organization's investment income during 2020 was comprised of interest and dividend income of \$559,695 and total gain on investments of \$16,382,926, net of fees of approximately 94 basis points, or \$923,379.

The net assets with donor restrictions fund that is of perpetual duration in the operating endowment and stewardship funds are invested to maintain their real value relative to inflation. Investments are managed for total return rather than income production. The Organization's policy for investment asset allocation includes approximately 80-90% of investments to be held in equity securities, private investments and marketable alternatives, with the remaining 10-20% in fixed income securities. The Organization's investment committee monitors the underlying asset allocation of the multi-asset fund managers and regularly tracks their performance against an agreed benchmark which reflects the policy asset allocation. Under the fund's spending criteria, a portion of the total return is required to be retained in the fund to preserve its purchasing power relative to inflation. The Organization utilizes a hybrid spending model whereby 30% of 4.5% of the beginning market value of the investments, as of September 30 of the previous year, in addition to 70% of the preceding year draws from the investments, adjusted for inflation, may be used for general operating purposes, and the remainder is retained for use in future years. This spending model is utilized for the operating endowment, stewardship, special projects, and operating investment funds.

Maine legislation requires that appreciation on investments of net assets with donor restrictions that are of perpetual duration be considered a donor-restricted asset until appropriated pursuant to proper governing-board action. Pursuant to the Board of Directors' interpretation of this legislation, the appreciation on the operating endowment that is not of perpetual duration and appreciation on the stewardship investments fund is classified as funds subject to use or time restriction and released from restriction upon appropriation by the Board of Directors in accordance with the spending policy as described above. Earnings on net assets with funds subject to use or time restriction are classified as net assets without donor restrictions unless explicitly restricted by the donor. The Organization has also interpreted the legislation to permit spending from funds with deficiencies in accordance with prudent measures required under the legislation. There were no funds with such deficiencies as of December 31, 2020.

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The majority of investments managed by TIFF, Legacy Venture LLCs, VIA Energy L.P.s, Accolade Partners, L.P.s, Adamas Partners L.P., Camber Capital, Davidson Kempner Institutional Partners, L.P., Diameter Offshore Fund L.P., Kline Hill Partners, LL Mortgage Fund, L.P., Moonrise Capital, RWC Global Horizon, Two Sigma Funds, Thirteen Partners Private Equity L.P., and Vision Ridge Partners are invested in private investment funds and asset and mortgage-backed securities. These private investment interests are generally not securities for which market quotations are readily available.

Fair value of private investment interests ordinarily is based on the estimated value of the private investment fund, as provided to the funds by the management of the private investment fund. Fair value is intended to represent a good faith approximation of the amount that a fund could reasonably expect to receive from the private investment fund if the fund's interest in the private investment was sold at the time of valuation, based on information that is reasonably available at the time valuation is made and that the fund believes is reliable. The fair values of these investment funds are based on available information and do not necessarily represent the amounts that might ultimately be realized. Due to the inherent uncertainty of valuations of these investment funds, the fair values may differ significantly from the values that would have been used had a ready market for the investment funds existed, and the differences could be material.

The investments managed by TIFF, Legacy Venture LLCs, VIA Energy L.P.s, Accolade Partners, L.P.s, Adamas Partners L.P., Camber Capital, Davidson Kempner Institutional Partners, L.P., Diameter Offshore Fund L.P., Kline Hill Partners, LL Mortgage Fund, L.P., Moonrise Capital, RWC Global Horizon, Two Sigma Funds, Thirteen Partners Private Equity L.P., and Vision Ridge Partners are audited on an annual basis. Management obtains these audited statements and reconciles them to the net asset values reported by the fund managers. In addition, on an ongoing basis, management has an outside investment advisor perform due diligence and monitoring activities including evaluation of fund managers and investment return, periodic communications with fund managers and attendance at annual meetings.

The donor-restricted and board-designated endowment investment net asset composition by type of fund as of December 31, 2020 is as follows:

	<u>Board- Designated</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Donor-restricted endowment funds	\$ -	\$ 57,059,773	\$ 57,059,773
Board-designated stewardship endowment funds	24,864,690	-	24,864,690
Board-designated endowment funds	17,077,455	-	17,077,455
Board-designated special projects funds	<u>3,280,367</u>	<u>-</u>	<u>3,280,367</u>
Total endowment investments	<u>\$ 45,222,512</u>	<u>\$ 57,059,773</u>	102,282,285
Investments without donor or board restriction			<u>5,448,882</u>
Total investments	<u>\$ 45,222,512</u>	<u>\$ 57,059,773</u>	<u>\$ 107,731,167</u>

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Changes in donor-restricted and board-designated endowment investment net assets for the year ended December 31, 2020 are as follows:

	<u>Without donor restriction - Board Designated</u>	<u>With donor Restriction</u>	<u>Total</u>
Endowment investment net assets, beginning of year	\$ 38,593,141	\$ 48,666,689	\$ 87,259,830
Investment return			
Investment income	45,671	58,492	104,163
Realized gain on investments	1,330,330	1,650,700	2,981,030
Unrealized gain on investments	<u>5,523,175</u>	<u>6,782,558</u>	<u>12,305,733</u>
Net investment return	6,899,176	8,491,750	15,390,926
Contributions and other deposits	485,000	2,254,310	2,739,310
Release for spending for Stewardship project expenses	802,787	(802,787)	-
Appropriation of endowment investment assets for expenditure	(1,353,675)	(1,636,769)	(2,990,444)
Other, net	<u>(203,917)</u>	<u>86,580</u>	<u>(117,337)</u>
Endowment investment net assets, end of year	<u>\$ 45,222,512</u>	<u>\$ 57,059,773</u>	<u>\$102,282,285</u>

4. Operating Endowment Investment Income

Income from operating endowment investments were as follows:

Interest and dividend income	\$ 35,388
Gross investment gains from operating endowment investments	6,598,661
Investment fees	<u>(376,832)</u>
Net investment gains from operating endowment investments	<u>\$ 6,257,217</u>

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Investment income in the operating endowment fund was reported in the following classifications:

	Total Income (Loss)	Transferred to Operating Fund	Total 2020 Income in the Operating Endowment
Funds of perpetual duration - added to principal	\$ <u>284,609</u>	\$ -	\$ <u>284,609</u>
Funds subject to use or time restriction before income transfers - gross	3,626,191	-	3,626,191
Investment fees	(223,301)	-	(223,301)
Current year transfer into the operating fund in accordance with spending policy	<u>-</u>	<u>839,241</u>	<u>(839,241)</u>
Funds subject to use or time restriction - net	<u>3,402,890</u>	<u>839,241</u>	<u>2,563,649</u>
Funds without donor restrictions - gross	2,723,249	569,083	2,154,166
Investment fees	<u>(153,531)</u>	<u>-</u>	<u>(153,531)</u>
Board-designated - net	<u>2,569,718</u>	<u>569,083</u>	<u>2,000,635</u>
Net operating endowment investment income	\$ <u><u>6,257,217</u></u>	\$ <u><u>1,408,324</u></u>	\$ <u><u>4,848,893</u></u>

5. Property and Equipment

Property and equipment as of December 31, 2020 consists of:

Land improvements	\$ 217,337
Buildings	4,492,408
Farm equipment	530,531
Farm furnishings	2,200
Livestock	72,933
Equipment - office and other	603,057
Artwork	<u>16,504</u>
	5,934,970
Accumulated depreciation	<u>(1,922,562)</u>
	\$ <u><u>4,012,408</u></u>

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Notes to Financial Statements

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6. Land and Conservation Easements

Following is a summary of land held by the Organization at December 31, 2020 and related activity for the year then ended:

Land purchased	\$ 61,645,581
Land donated	48,511,182
Land in process	<u>129,743</u>
Total land	<u>\$ 110,286,506</u>

Land purchased during 2020:

<u>Name</u>	<u>Location</u>
Back Cove Preserve Access	Swans Island
Centers Point	Bowdoinham
Hills Cove	Hancock
Meadow brook 2 Forbes Pond	Gouldsboro
Winslow Stream (purchased by LLC)	Penobscot

Land purchased during 2020 - bargain purchase:

<u>Name</u>	<u>Location</u>
Clark Island	Saint George
Curtis Creek - Huber	Harrington
Long Point Cottage Cove Lot	Machiasport

Land donations received during 2020:

<u>Name</u>	<u>Location</u>
Meserve Head	Machias
Mt. Waldo Expansion	Frankfort
Old Point Mt. Desert Narrows	Lamoine
Princes Point	Brunswick
Rachael Carson Burns Addition	Kennebunk
Thompson Cove	Deer Isle
Witherle Woods Expansion	Castine
Bowdoin Point Mendel Marsh Expansion	Prospect

Conservation easement donations received during 2020:

<u>Name</u>	<u>Location</u>
York River Country Club	York

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7. Description of Leasing Arrangements

The Organization leases office space in Topsham under an operating lease agreement. The agreement expires in October 2022 and provides for annual increases in rent equal to the percentage increase in the Consumer Price Index between the two most recent months of January preceding each such adjustment. The increase shall not be less than 2.5% and no greater than 5% annually.

The following is a schedule of future minimum lease payments required under all leases:

2021	\$ 170,202
2022	<u>145,219</u>
	<u>\$ 315,421</u>

Rent expense under this lease totaled \$168,117 for 2020.

A member of the Organization's Board Council owns a 25% interest in the lessor of this lease.

8. Borrowings

The Organization has available a \$4,000,000 line of credit, with interest at 2.75%, collateralized by investments or pledges at the option of the Organization. There were no outstanding advances on the line at December 31, 2020. The line of credit expires in September 2021. The Organization does not pay any availability fees on this line of credit.

9. Employee Benefit Plans

The Organization has established various defined contribution plans for employees. Contributions to the plans were \$263,400 for 2020.

10. Beneficial Interest in Split-Interest Agreements

The Organization is the beneficiary of a trust created by a donor, the assets of which are not in the possession of the Organization. The Organization has the legally enforceable right to receive the greater of actual net income collected on the account or 5% of the fair market value (based on the average month-end market value for the calendar year) of the trust in perpetuity. This income is expendable to support Aldermere Farm operations. The Organization's share of the fair value of the underlying trust assets, which approximates the present value of the estimated future cash receipts from the trust, is included in the Organization's financial statements and totaled \$4,942,517 at December 31, 2020. Distributions from the trust were \$244,417 in 2020.

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The Organization is also a remainder beneficiary of three charitable remainder unitrusts, the assets of which are not in the possession of the Organization. The present value of estimated future cash receipts from the trusts, using a discount rate ranging from 2.5% to 6%, was \$220,686 at December 31, 2020.

In prior years, the Organization received contributions under charitable gift annuity agreements. The Organization is to remit payments to the income beneficiaries in various installments for the remainder of the beneficiaries' lives. The present value of the annuity payment liability, using a discount rate ranging from 2.0% to 2.5%, was \$161,386 at December 31, 2020 and is included in accrued expenses and other liabilities in the statement of financial position. The fair value of the assets under these charitable gift annuity agreements was \$354,039 at December 31, 2020.

Assets relating to the Organization's interest in these split-interest agreements are included in the statement of financial position as follows:

Beneficial interest in perpetual trust	\$ 4,942,517
Charitable remainder unitrusts	220,686
Charitable gift annuities	<u>354,039</u>
Total beneficial interest in split-interest agreements	\$ <u>5,517,242</u>

11. Net Assets with Donor Restrictions

As of December 31, 2020, net assets subject to expenditure for a specified purpose are as follows:

	<u>Operating</u>	<u>Operating Endowment</u>	<u>Stewardship Investments</u>	<u>Revolving Loan Fund</u>	<u>Total</u>
Stewardship	\$ 3,562,424	\$ -	\$ 6,605,178	\$ -	\$ 10,167,602
Land protection	12,906,538	-	-	250,000	13,156,538
General operations - time restricted	12,558,721	-	-	-	12,558,721
Operating endowment earnings, restricted until Board appropriated	<u>-</u>	<u>3,961,732</u>	<u>-</u>	<u>-</u>	<u>3,961,732</u>
Total	\$ <u>29,027,683</u>	\$ <u>3,961,732</u>	\$ <u>6,605,178</u>	\$ <u>250,000</u>	\$ <u>39,844,593</u>

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As of December 31, 2020, net assets invested in perpetuity are as follows:

Beneficial interest in a trust, the income from which is expendable to support Aldermere Farm operations	\$ 4,942,517
Land and land improvements - Aldermere Farm	1,400,000
Investments in perpetuity, (subject to the Organization's spending policy) the income from which is expendable to support:	
General operations of the Organization	14,237,659
Campaign for the Coast	6,500,030
General operations of Aldermere Farm and Erickson Fields	595,526
The stewardship of conserved land	13,294,636
The stewardship of conserved land in the Acadian region	7,500,000
The Partridge Endowment for People and Places - Care for the Land	340,000
The Places for People - Care for the Land Endowment	259,839
The ESPY Land Heritage award given by the Organization	136,520
Land conservation effort in the Acadian region	2,500,000
The Partridge Endowment for People and Places - Connect People & Land	1,289,835
The Places for People - Connect People & Land Endowment	536,883
Richard Rockefeller Internship Program	<u>200,000</u>
 Total	 <u>\$ 53,733,445</u>
 Total net assets with donor restrictions	 <u>\$ 93,578,038</u>

12. Board-Designated Net Assets

The Board has chosen to designate a portion of net assets at December 31, 2020 for specific purposes as follows:

	<u>Operating</u>	<u>Operating Endowment</u>	<u>Stewardship Investments</u>	<u>Revolving Loan</u>	<u>Special Projects</u>	<u>Total Board- Designated</u>
Stewardship	\$ 132,154	\$ -	\$ 24,899,184	\$ -	\$ -	\$ 25,031,338
Revolving loan - land opportunity	-	-	-	106,222	-	106,222
Operating endowment	-	17,021,787	-	-	-	17,021,787
Special projects general	-	-	-	-	3,018,921	3,018,921
Legal defense fund - conservation easements	-	-	-	-	250,000	250,000
Conservation innovation	145,000	-	-	-	-	145,000
Capital replacement reserve-operating	<u>896,546</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,946</u>	<u>906,492</u>
	<u>\$ 1,173,700</u>	<u>\$ 17,021,787</u>	<u>\$ 24,899,184</u>	<u>\$ 106,222</u>	<u>\$ 3,278,867</u>	<u>\$ 46,479,760</u>

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13. Fair Value Measurement

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. 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. There were no Level 3 investments.

Assets measured at fair value on a recurring basis are summarized below:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>
Beneficial interest in split-interest agreement -			
Aldermere Farm	\$ 4,942,517	\$ -	\$ 4,942,517
Charitable gift annuities	354,039	354,039	-
Charitable remainder unitrusts	220,686	-	220,686
Corporate bonds	3,572,392	-	3,572,392
Mutual funds	40,574,181	40,574,181	-
Money market portfolios	<u>3,376,636</u>	<u>3,376,636</u>	<u>-</u>
Sub-total	53,040,451	44,304,856	8,735,595
Investment in limited liability companies or limited partnerships at net asset value	<u>60,207,958</u>	<u>-</u>	<u>-</u>
Total	<u>\$113,248,409</u>	<u>\$ 44,304,856</u>	<u>\$ 8,735,595</u>

Level 2 beneficial interest in split-interest agreement and Level 2 charitable remainder unitrusts are valued based on the classification of the underlying investments held by the trusts, which are actively traded. The fair value for Level 2 corporate bonds is primarily based on quoted market prices of comparable securities, interest rates, and credit risk, and is obtained from the Organization's investment custodian.

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The following table sets forth a summary of the fair value of the Organization's other investments at December 31, 2020 using a reported net asset value per share:

	<u>Fair Value</u>	<u>Unfunded Commitments</u>
Accolade Partners III, L.P.	\$ 1,358,429	\$ 300,000
Accolade Partners IV, L.P.	1,456,058	300,000
Accolade Partners V, L.P.	1,926,619	215,000
Accolade Partners VI, L.P.	1,049,313	255,000
Accolade Partners VII, L.P.	380,037	680,000
Accolade Partners VIII, L.P.	-	1,000,000
Adamas Partners, L.P.	793,498	-
Camber Capital Offshore Fund, Ltd.	3,264,718	-
Davidson Kempner Institutional Partners, L.P.	7,288,926	-
Diameter Offshore Fund, L.P.	4,318,958	-
Kline Hill Partners Fund II, L.P.	959,242	304,179
Kline Hill Partners Fund III, L.P.	245,653	889,848
Legacy Venture IV	349,685	-
Legacy Venture V	555,302	-
Legacy Venture VI	1,338,516	10,000
Legacy Venture VII	1,416,204	10,000
Legacy Venture VIII	674,833	85,000
LL Mortgage Fund, L.P.	4,026,169	-
Moonrise China Partners I, L.P.	363,396	220,455
Moonrise Venture Partners I	1,201,019	190,779
Moonrise Venture Partners II	574,714	575,458
RWC Global Horizon	5,260,918	-
Thirteen Partners Private Equity IV, L.P.	1,164,414	169,120
Thirteen Partners Private Equity V, L.P.	703,662	440,790
TIFF Private Equity Partners 2006	37,236	127,500
Two Sigma Active Extension U.S. All Cap Equity Cayman Fund, LTD	13,907,194	-
Two Sigma Risk Premia Enhanced Cayman Fund, LTD	4,625,322	-
Vision Ridge Partners Sustainable Assets Fund II	<u>261,557</u>	<u>271,546</u>
Private equity total	<u>59,501,592</u>	<u>6,044,675</u>
Venture Investment Associates Energy, L.P.	141,055	60,000
Venture Investment Associates Energy, L.P. II	366,980	67,500
TIFF Realty and Resources 2008	130,527	97,500
TIFF Realty and Resources II	<u>67,804</u>	<u>82,500</u>
Real assets total	<u>706,366</u>	<u>307,500</u>
Other investments total	<u>\$ 60,207,958</u>	<u>\$ 6,352,175</u>

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These investments are subject to varying restrictions on the sale and transfer of the Organization's interest in the investment. Distributions are generally at the discretion of the general partner, and redemption is generally only permitted upon liquidation of the partnership.

14. Liquidity and Availability of Financial Assets

The Organization regularly monitors the availability of resources required to meet operating needs, while also striving to maximize the investment of its available funds. The Organization has various sources of liquidity at its disposal, including cash and cash equivalents and investments.

As of December 31, 2020, the following financial assets could be readily be made available within one year of the balance sheet date to meet general expenditures:

Cash and cash equivalents	\$ 4,045,601
Accounts and accrued interest receivable	61,402
Investments without donor restriction or board designation	<u>5,448,882</u>
Total assets	<u>\$ 9,555,885</u>

At December 31, 2020, \$45,222,512 of the Organization's investments were board designated. Although not expected to be needed, the portion of the Organization's investments without donor restrictions in excess of any budgeted spending amount could be used to meet cash needs if necessary. Prudent investment management, however, must be considered to ensure the preservation of the funds for future use.

Approximately 45% of the Organization's investment portfolio consists of highly liquid investments. See Notes 3 and 11 for further information about the Organization's investment portfolio and net assets, respectively.

The Organization also has a line of credit available to meet short-term needs as discussed in Note 8.

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15. Conservation Limited Development, LLC

During 2008, the Organization formed Conservation Limited Development, LLC (the Company). The Organization is the sole member of the Company. The Company was formed for the purpose of owning, managing, renting, leasing, buying, selling, and developing property as authorized by the Organization. The balances and activities of the Company for 2020 prior to elimination and consolidation into the operating fund are as follows:

Cash	\$ 137,494
Buildings	233,904
Land	<u>2,691,058</u>
Total assets	<u>3,062,456</u>
Due to other funds	-
Accounts payable	1,999
Notes payable	<u>2,393,000</u>
Total liabilities	<u>2,394,999</u>
Net assets without donor restriction	\$ <u>667,457</u>
Gain on sale of land	\$ 183,492
Gain on forgiveness of debt	27,863
Partnership contribution	<u>740,757</u>
Total revenue	<u>952,112</u>
Professional fees and contract services	799
Property taxes	18,141
Loss on impairment of land	<u>297,463</u>
Total expenses	<u>316,403</u>
Increase in net assets	635,709
Net assets without donor restriction - beginning of year	<u>31,748</u>
Net assets without donor restriction - end of year	\$ <u>667,457</u>

16. Uncertainty

In response to the coronavirus (COVID-19) global pandemic, since March 2020 U.S. and world governments encouraged self-isolation to curtail the spread of COVID-19 by mandating the temporary shutdown of business in many sectors and imposing limitations on travel and the size and duration of group meetings. Many sectors are experiencing disruption to business operations and the impact of reduced consumer spending.

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There is unprecedented uncertainty surrounding the duration of the pandemic, its potential economic ramifications, and the scale of government actions to mitigate them. While management expects this matter to impact operating results, the related financial impact and duration cannot be reasonably estimated.