

Financial Statements



**Maine Lobster
Marketing Collaborative**

December 31, 2020

Contents

Maine Lobster Marketing Collaborative

December 31, 2020

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Independent Auditors' Report

To the Board of Directors Maine Lobster Marketing Collaborative

We have audited the accompanying financial statements of the Maine Lobster Marketing Collaborative (MLMC), a component unit of the State of Maine, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the MLMC's basic financial statements as listed in the table of contents.

Management's Responsibility

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 opinions 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.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Maine Lobster Marketing Collaborative, as of December 31, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on page 3 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Purdy Powers & Company

Professional Association

**Portland, Maine
February 8, 2021**



Management's Discussion and Analysis

The Maine Lobster Marketing Collaborative offers readers of the financial statements this narrative overview and analysis of the financial activities of MLMC for the year ended December 31, 2020. Please read it in conjunction with MLMC's financial statements.

Using this Annual Report

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 4-5) provide information about the activities of MLMC and present a longer-term view of MLMC's finances. Fund financial statements start on page 6. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending.

Reporting of the MLMC's Statement of Net Position and Statement of Activities

The analysis of MLMC begins on the next page. One of the most important questions asked about MLMC's finances is, "Is MLMC, better off or worse off as a result of the period's activities?" The Statement of Net Position and the Statement of Activities report information about MLMC and about its activities in a way that helps answer this question. These statements include *all* assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report MLMC's net asset position and changes in it. You can think of MLMC's net asset position—the difference between assets and liabilities—as one way to measure MLMC's financial health, or financial position. Over time, increases or decreases in MLMC's net assets are one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as impacts upon and improvements in the market position of Maine lobster or the strength of lobster license renewals or other factors to assess the overall value of MLMC's productive use of financial resources.

Reporting of MLMC’s Fund Financial Statements

Governmental fund - MLMC’s basic services are reported in a governmental fund, which focus on how money flows into and out of this fund and the balances left at period-end that are available for spending. This fund is reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the MLMC’s government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance MLMC’s programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliations on pages 7 and 9.

For the year ended December 31, net asset position changed as follows:

	2020	2019
Beginning net position	\$ 233,685	\$ 212,714
Increase (decrease) in net position	<u>244,686</u>	<u>20,971</u>
Ending net position	<u>\$ 478,371</u>	<u>\$ 233,685</u>

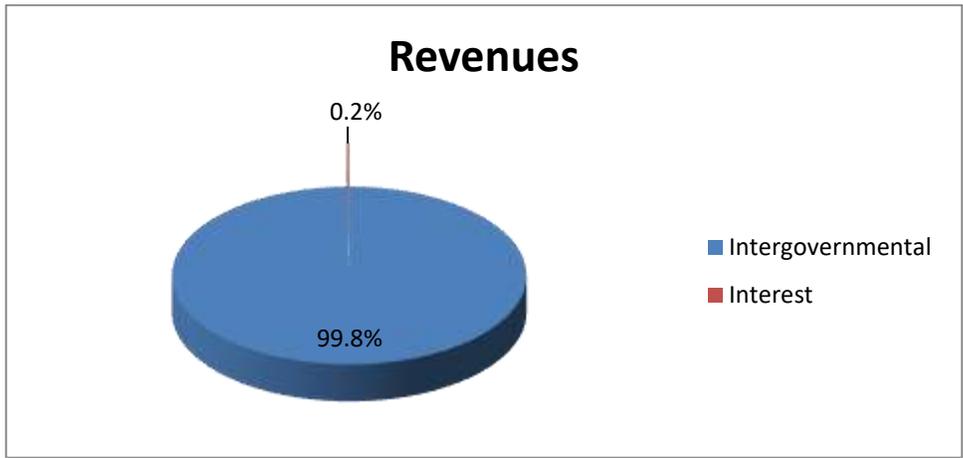
This reflects a increase of approximately 49%.

The MLMC generally tries to start the year with a balance of about \$200,000 to help manage cash flow issues throughout the year. In 2020, MLMC carried over funds from marketing projects that were not completed, primarily because of pandemic restrictions. The additional funds will be used on marketing activities in 2021.

Governmental Activities

To aid in the understanding of the Statement of Activities some additional explanation is given. Of particular interest is the format that is significantly different than a typical Statement of Revenues, Expenses, and Changes in Fund Balance. You will notice that expenses are listed in the first column with revenues from that particular program reported to the right. The result is a Net (Expense) Revenue. The reason for this kind of format is to highlight the relative financial burden of each of the functions. It also identifies how much each function draws from the general revenues or if it is self-financing through fees and grants. All other governmental revenues are reported as miscellaneous.

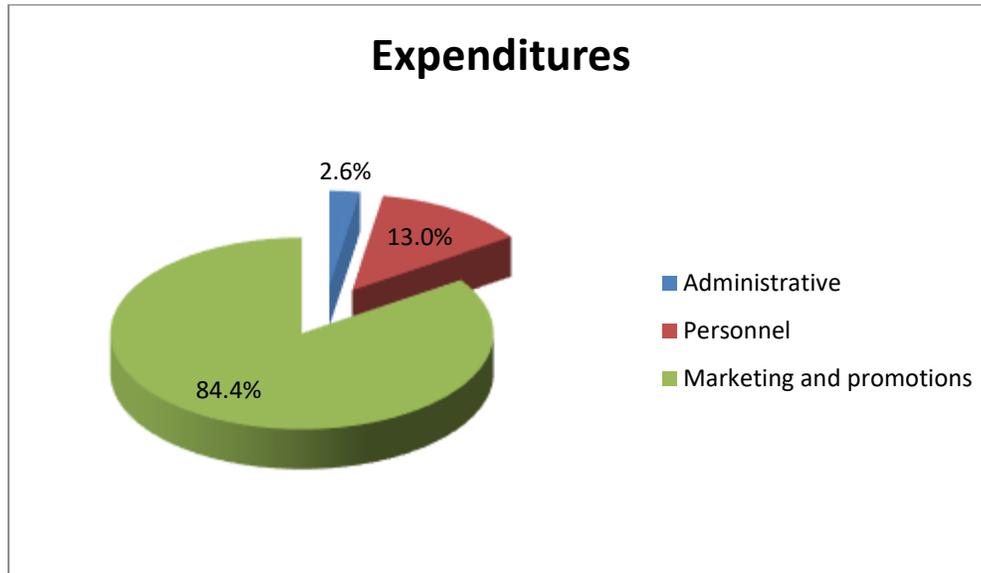
The following schedule presents a summary of general fund revenues (on page 8) for the year ended December 31, 2020 and the percentage of increases and decreases in relation to the prior period. The comparative period is period for the fiscal year ended December 31, 2019.



<u>Revenue</u>	<u>2020</u>	<u>2019</u>	<u>Change</u>	<u>% Increase (Decrease)</u>
Intergovernmental	\$ 1,980,773	\$ 1,940,894	\$ 39,879	2.1%
Interest Income	4,026	16,575	(12,549)	(75.7%)
Total Revenue	<u>\$ 1,984,799</u>	<u>\$ 1,957,469</u>	<u>\$ 27,330</u>	<u>(73.6%)</u>

MLMC has natural fluctuations in revenue because funds received are based on timing of lobster fishermen and lobster dealers renewing their annual licenses which can be done at different times during the year. Interest income was down in 2020 because interest rates were down as a result of the pandemic.

The following schedule presents a summary of general fund expenditures (on page 8) for the period ended December 31, 2020, and the percentage of increases and decreases in relation to the prior period year. The comparative period is for the fiscal year ended December 31, 2019.



<u>Expenditures</u>	<u>2020</u>	<u>2019</u>	<u>Change</u>	<u>% Increase (Decrease)</u>
Administrative	\$ 44,859	\$ 62,022	\$ (17,163)	(27.7%)
Personnel	226,052	247,270	(21,218)	(8.6%)
Marketing and Promotions	<u>1,469,873</u>	<u>1,626,621</u>	<u>(156,838)</u>	<u>(9.6%)</u>
Total Expenditures	<u>\$ 1,740,784</u>	<u>\$ 1,935,913</u>	<u>\$ (195,219)</u>	<u>(45.9%)</u>

Administrative – In 2019, MLMC hired a consultant to conduct an agency review process. This administrative expense was not needed in 2020.

Personnel – In 2019, MLMC had three people on payroll for the first quarter of the year, while in 2020, there were only two people on payroll for the entire year.

Marketing and Promotions – In 2020, MLMC adjusted marketing programs to deal with market conditions that changed as a result of the pandemic. Some projects were planned but not completed due to pandemic restrictions. Those funds will be used on marketing programs in 2021 instead.

CAPITAL ASSETS

At the end of December 31, 2020, MLMC had approximately \$21,000 invested in capital assets including computer equipment and furniture & fixtures. (See table below.)

	<u>2020</u>	<u>2019</u>
Computer equipment	\$ 6,258	\$ 4,888
Furniture and fixtures	<u>14,355</u>	<u>14,355</u>
Total Capital Assets	<u>\$ 20,613</u>	<u>\$ 19,243</u>

During the current year, MLMC purchased a new laptop.

ECONOMIC FACTORS AND NEXT YEAR'S OPERATIONS

MLMC is authorized by the Maine legislature to operate through October 2021. The legislature will consider a bill in this session to continue authorizing the MLMC beyond that point. If the legislation passes with the statute as presented, the organization will continue with the same funding model. If it is not re-authorized, then the MLMC will cease operations in October 2021.

CONTACTING THE MLMC'S FINANCIAL MANAGEMENT

This financial report is designed to provide customers with a general overview of the MLMC's finances and to show MLMC's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the MLMC at 2 Union Street (Suite 204), Portland, Maine or call 541-9310.

Statement of Net Position

Maine Lobster Marketing Collaborative

As of December 31, 2020

	<u>Governmental Activities</u>
Assets	
Cash	\$ 478,876
Deposits and prepaid expenses	1,398
Capital assets, net of accumulated depreciation	<u>4,952</u>
Total Assets	485,226
Liabilities	
Accounts payable	788
Credit card payable	691
Long-term liabilities:	
Portion due or payable within one year:	
Accrued vacation	<u>5,376</u>
Total Liabilities	<u>6,855</u>
Net Position	
Net investment in capital assets	4,952
Unrestricted	<u>473,419</u>
Net Position	<u>\$ 478,371</u>

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

Statement of Activities

Maine Lobster Marketing Collaborative

For the Year Ended December 31, 2020

<u>Function/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental Activities:				
Administration	\$ 43,489	\$ -	\$ -	\$ (43,489)
Personnel	226,052	-	-	(226,052)
Marketing and promotions	1,469,873	-	-	(1,469,873)
Depreciation expense	699	-	-	(699)
Total Governmental Activities	<u>\$ 1,740,113</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(1,740,113)</u>
General revenues:				
Intergovernmental				1,980,773
Interest income				4,026
			Total General Revenues	<u>1,984,799</u>
			Change in Net Position	244,686
Net position at beginning of year				<u>233,685</u>
			Net Position at End of Year	<u>\$ 478,371</u>

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

Balance Sheet - Governmental Funds

Maine Lobster Marketing Collaborative

As of December 31, 2020

	<u>General Fund</u>
Assets	
Cash	\$ 478,876
Deposits and prepaid expenses	<u>1,398</u>
Total Assets	<u>\$ 480,274</u>
Liabilities and Fund Balance	
Liabilities	
Accounts payable	\$ 788
Credit card payable	<u>691</u>
Total Liabilities	1,479
Fund Balance	
Unassigned	<u>478,795</u>
Total Fund Balance	<u>478,795</u>
Total Liabilities and Fund Balance	<u>\$ 480,274</u>

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

**Reconciliation of Governmental Funds Balance Sheet
to the Statement of Net Position**

Maine Lobster Marketing Collaborative

As of December 31, 2020

Total Fund Balance - Governmental Funds \$ 478,795

Amounts reported for governmental activities in the Statement of
Net Position is different because:

Capital assets used in governmental activities are not financial
resources and therefore are not reported as assets in governmental
funds. The cost of capital assets, net of accumulated depreciation is: 4,952

Long-term liabilities are not due and payable in the current year and therefore
are not reported as liabilities in the funds. Long-term and related liabilities at
year-end consist of:

Accrued vacation (5,376)

Net Position - Governmental Activities \$ 478,371

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

**Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds**

Maine Lobster Marketing Collaborative

For the Year Ended December 31, 2020

	<u>General Fund</u>
Revenues	
Intergovernmental	\$ 1,980,773
Interest	<u>4,026</u>
Total Revenues	1,984,799
Expenditures	
Administrative	44,859
Personnel	226,052
Marketing and promotions	<u>1,469,873</u>
Total Expenditures	<u>1,740,784</u>
Revenues Over Expenditures	244,015
Fund balance at beginning of year	<u>234,780</u>
Fund Balance at End of Year	<u><u>\$ 478,795</u></u>

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

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities

Maine Lobster Marketing Collaborative

As of December 31, 2020

Net Change in Fund Balance - Governmental Funds **\$ 244,015**

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital asset additions differed from depreciation expense in the current year:

Capital asset additions	\$ 1,370	
Depreciation expense	<u>(699)</u>	
		<u>671</u>

Change in Net Position of Governmental Activities **\$ 244,686**

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

**Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - General Fund (Budgetary Basis)**

Maine Lobster Marketing Collaborative

For the Year Ended December 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with
	<u>Original</u>	<u>Final</u>	<u>Budgetary Basis</u>	<u>Final Budget Positive (Negative)</u>
Revenues				
Intergovernmental	\$ 1,989,000	\$ 1,989,000	\$ 1,980,773	\$ (8,227)
Interest	<u>16,454</u>	<u>16,454</u>	<u>4,026</u>	<u>(12,428)</u>
Total Revenues	2,005,454	2,005,454	1,984,799	(20,655)
Expenditures				
Administrative	59,004	59,004	44,859	14,145
Personnel	262,850	262,850	226,052	36,798
Marketing and promotions	<u>1,658,000</u>	<u>1,658,000</u>	<u>1,469,873</u>	<u>188,127</u>
Total Expenditures	<u>1,979,854</u>	<u>1,979,854</u>	<u>1,740,784</u>	<u>239,070</u>
Revenues Over Expenditures	25,600	25,600	244,015	218,415
Budgetary fund balance at beginning of year			<u>234,780</u>	
Budgetary Fund Balance at End of Year			<u><u>\$ 478,795</u></u>	

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

Notes to Financial Statements

Maine Lobster Marketing Collaborative

Note A - Summary of Significant Accounting Policies

The Maine Lobster Promotion Council was established by the Maine State Legislature in 1991 at the request of the Maine lobster industry. On July 1, 1994, the Maine Lobster Promotion Council became a public instrumentality of the State of Maine, and as such operates as a quasi-governmental entity. On October 9, 2013, the Maine Lobster Promotion Council became the Maine Lobster Marketing Collaborative (MLMC). For financial reporting purposes, the MLMC is a component unit of the State of Maine as defined by Government Accounting Standards Board (GASB) Statement #14. The MLMC encourages education and training of all customers - including wholesale, retail and foodservice, and end-consumers - about how to handle, prepare, serve, promote, and sell Maine lobsters.

The accounting policies of the MLMC conform to United States generally accepted accounting principles (GAAP). The MLMC applies all relevant GASB pronouncements. The more significant accounting policies established in GAAP and used by the MLMC are discussed below.

Principles Determining Scope of Reporting Entity

The basic financial statements include the accounts of all MLMC operations. The criteria for including organizations as component units within the MLMC's reporting entity, as set forth in GAAP include whether:

- the organization is legally separate (can sue and be sued in their own name)
- the MLMC holds the corporate powers of the organization
- the MLMC appoints a voting majority of the organization's board
- the MLMC is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the MLMC
- there is fiscal dependency by the organization on the MLMC

Based on the aforementioned criteria, the Maine Lobster Marketing Collaborative has no component units.

Basis of Presentation

Government-wide Financial Statements

The statement of net position and statement of activities report information about the reporting government as a whole. Governmental activities, which normally are supported by intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for services for support. Currently the MLMC has no business-type activities.

Notes to Financial Statements - Continued

Maine Lobster Marketing Collaborative

Note A - Summary of Significant Accounting Policies - Continued

Basis of Presentation - Continued

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The MLMC does not allocate indirect expenses to functions in the statement of activities. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Intergovernmental revenues and other items not properly included among program revenues are reported as general revenues.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which are considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, liabilities, fund equity, revenues, and expenditures.

Governmental Activities

Governmental funds are those through which general governmental functions of the MLMC are financed. The acquisition, use and balances of the MLMC's expendable financial resources and the related liabilities are accounted for through Governmental Funds.

The MLMC's *General Fund* is the only governmental fund. It is the operating fund of the MLMC and is always classified as a major fund. It is used to account for all financial resources except those required to be accounted for in another fund.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting is related to the timing of the measurements made, regardless of the measurement focus applied.

Accrual

Governmental activities in the government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

Modified Accrual

Governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt is recognized when due.

Notes to Financial Statements - Continued

Maine Lobster Marketing Collaborative

Note A - Summary of Significant Accounting Policies - Continued

Cash and Cash Equivalents

The MLMC's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Inventories

Inventories of supplies and promotional items are considered to be expenditures at the time of purchase.

Capital Assets

In the government-wide financial statements, capital assets purchased or acquired with an original cost of \$1,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line method. Estimated useful lives are as follows: computer equipment, 3 years; and furniture & fixtures, 10-15 years.

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets are not capitalized and related depreciation is not reported in the fund financial statements.

Budget

An annual budget is prepared by management and approved by the Board of Directors.

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.

Compensated Absences

Under the terms of the personnel policies of the MLMC, vacation and sick leave are granted in varying amounts according to length of service. Accumulated unused sick leave is not payable upon separation and therefore is not included as part of compensated absences. The MLMC accrues unpaid vacation when earned (or estimated to be earned) by the employee.

Notes to Financial Statements - Continued

Maine Lobster Marketing Collaborative

Note A - Summary of Significant Accounting Policies - Continued

Government-wide Fund Net Position

Government-wide net asset position is divided into three components:

Net investment in capital assets - consist of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets.

Restricted net position - consist of net asset position that is restricted by the MLMC's creditors (for example, through debt covenants), by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors.

Unrestricted - All other net asset positions are reported in this category.

Governmental Fund Balances

In the governmental fund financial statements, fund balances are classified as follows:

Nonspendable - resources which cannot be spent because they are either a) not in spendable form or; b) legally or contractually required to be maintained intact.

Restricted - resources with constraints placed on the use of resources that are either a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed through constitutional provisions or enabling legislation.

Committed - resources which are subject to limitations the government imposes upon itself at its highest level of design making, and that remain binding unless removed in the same manner.

Assigned - resources neither restricted nor committed for which a government has a stated intended use as established by the Board or a body or official to which the Board has designated the authority to assign amounts for specific purposes.

Unassigned - resources which cannot be properly classified in one of the other four categories.

Use of Restricted Resources

The MLMC has no formal fund balance policy. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in order by committed fund balance, assigned fund balance and lastly unassigned fund balance.

Notes to Financial Statements - Continued

Maine Lobster Marketing Collaborative

Note B - Cash

The MLMC conducts all of its banking transactions with its depository bank.

Custodial Credit Risk - Deposits

At December 31, 2020 the carrying amount of the MLMC's deposits was \$478,876 and the bank balance was \$514,062. The difference between these balances relates to deposits in transit, outstanding checks, and cash on hand at year-end. Custodial credit risk is the risk that in the event of a bank failure, the MLMC's deposits may not be returned to it. The MLMC does not have a deposit policy on custodial credit risk. At December 31, 2020, \$53 of the MLMC's deposits were exposed to credit risk.

Note C - Capital Assets

A summary of capital assets transactions for the year ended December 31, 2020, follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Governmental activities:				
Depreciable assets:				
Computer equipment	\$ 4,888	\$ 1,370	\$ -	\$ 6,258
Furniture and fixtures	<u>14,355</u>	<u>-</u>	<u>-</u>	<u>14,355</u>
Totals at historical cost	19,243	1,370	-	20,613
Less accumulated depreciation:				
Computer equipment	4,891	114	-	5,005
Furniture and fixtures	<u>10,071</u>	<u>585</u>	<u>-</u>	<u>10,656</u>
Total accumulated depreciation	<u>14,962</u>	<u>699</u>	<u>-</u>	<u>15,661</u>
Capital Assets, Net	<u>\$ 4,281</u>	<u>\$ 671</u>	<u>\$ -</u>	<u>\$ 4,952</u>

Notes to Financial Statements - Continued

Maine Lobster Marketing Collaborative

Note D - Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2020, was as follows:

	Beginning <u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	Ending <u>Balance</u>	Amounts Due within <u>One Year</u>
Governmental Activities:					
Compensated absences	\$ <u>5,376</u>	\$ <u>17,156</u>	\$ <u>17,156</u>	\$ <u>5,376</u>	\$ <u>5,376</u>

Note E - Risk Management

The MLMC is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; and errors and omissions; for which the MLMC carries commercial insurance.

Based on the coverage provided by commercial insurance, the MLMC is not aware of any material actual or potential claim liabilities, which should be recorded at December 31, 2020.

Note F - Concentration Risk

The MLMC receives assessments paid by lobster license holders through the State of Maine. This intergovernmental revenue accounted for approximately 99.8% of the MLMC's revenue for the year ended December 31, 2020.

Note G - Retirement Plan

The MLMC has a SEP-IRA plan for its employees. Employees who meet age and service requirements are eligible to participate in the plan. The MLMC may, but is not required to, make contributions to eligible employees. The MLMC contributed \$16,934 for the year ended December 31, 2020.