Preventing Child Abuse

MAINE CHILDREN'S TRUST

Financial Report

June 30, 2021 and 2020

CONTENTS

Nonprofit Accounting & Consulting Specialists

Independent Auditors' Report

Board of Directors
Maine Children's Trust, Inc.
Augusta, Maine

Opinion

We have audited the accompanying financial statements of Maine Children's Trust, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Maine Children's Trust, Inc. as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Maine Children's Trust, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Maine Children's Trust, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Maine Children's Trust, Inc.'s internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Maine Children's Trust, Inc.'s ability to continue as a going concern for a reasonable period of time.

- Issue the required communications with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

As stated in the opinion section of this report, the financial statements of Maine Children's Trust, Inc. present fairly, in all material respects, the financial position of Maine Children's Trust, Inc. as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 19, 2022 on our consideration of Maine Children's Trust, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Maine Children's Trust, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Maine Children's Trust, Inc.'s internal control over financial reporting and compliance.

PGM, LLC

Biddeford, Maine
January 19, 2022

Statements of Financial Position

June 30,

ASSETS	2021	2020
Current Assets		
Cash and cash equivalents	$ 1,326,393	$ 1,092,934
Grants receivable	882,292	547,504
Unconditional promises to give	237,713	199,660
Prepaid expenses	3,295	3,171
Total Current Assets	2,449,693	1,843,269
Property and Equipment		
Leasehold improvements	27,000	27,000
Office equipment	41,978	41,978
Computer equipment	107,309	107,309
	176,287	176,287
Less accumulated depreciation	(158,289)	(148,811)
Property and Equipment, net	17,998	27,476
Other Assets		
Investments	1,658,205	1,304,465
Other assets	30,000	30,000
Total Other Assets	1,688,205	1,334,465
Total Assets	$ 4,155,896	$ 3,205,210
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	$ 1,316,718	$ 798,300
Accrued payroll and vacation	92,270	76,731
Deferred revenue	2,000	2,000
Total Current Liabilities	1,410,988	877,031
Net Assets		
Without donor restrictions	2,560,433	2,144,015
With donor restrictions	184,475	184,164
Total Net Assets	2,744,908	2,328,179
Total Liabilities and Net Assets	$ 4,155,896	$ 3,205,210

Statement of Activities

Year Ended June 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue			
Federal and state grants	$ 10,408,797		$ 10,408,797
Contributions - Income Tax Check-Off	36,252	$ 4,028	40,280
Contributions - United Way	20,433		20,433
Contributions - corporate/individual	32,262		32,262
Event Sponsorships	1,500		1,500
Interest income	3,710		3,710
Investment return	350,023		350,023
Net assets released from restrictions	3,717	(3,717)	
Total Support and Revenue	10,856,694	311	10,857,005
Expenses			
Program expenses			
Child abuse prevention	1,700,747		1,700,747
Home visiting	8,312,080		8,312,080
Public awareness	274,049		274,049
Total program expenses	10,286,876		10,286,876
Supporting services			
Management and general	153,400		153,400
Total Expenses	10,440,276		10,440,276
Change in Net Assets	416,418	311	416,729
Net Assets, Beginning of Year	2,144,015	184,164	2,328,179
Net Assets, End of Year	$ 2,560,433	$ 184,475	$ 2,744,908

Statement of Activities

Year Ended June 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue			
Federal and state grants	$ 10,900,491		$ 10,900,491
Contributions - Income Tax Check-Off	33,435	$ 3,717	37,152
Contributions - United Way	104,259		104,259
Contributions - corporate/individual	1,277		1,277
Interest income	4,127		4,127
Investment return	65,869		65,869
Total Support and Revenue - Before Net Assets Released from Restrictions	11,109,458	3,717	11,113,175
Expenses			
Program expenses			
Child abuse prevention	1,705,156		1,705,156
Home visiting	8,274,391		8,274,391
Public awareness	239,769		239,769
Total program expenses	10,219,316		10,219,316
Supporting services			
Management and general	155,095		155,095
Total Expenses	10,374,411		10,374,411
Change in Net Assets	735,047	3,717	738,764
Net Assets, Beginning of Year	1,408,968	180,447	1,589,415
Net Assets, End of Year	$ 2,144,015	$ 184,164	$ 2,328,179

Statement of Functional Expenses

Year Ended June 30, 2021

	Program Expenses					
	Child Abuse Prevention	Home Visiting	Public Awareness	Total	Management and General Expenses	Total Expenses
Personnel Expenses						
Salaries and wages	$ 152,195	$ 269,993	$ 49,951	$ 472,139	$ 119,848	$ 591,987
Payroll taxes	12,416	21,666	3,988	38,070	9,922	47,992
Employee benefits	22,671	43,834	5,228	71,733	9,369	81,102
	187,282	335,493	59,167	581,942	139,139	721,081
Expenses						
Consultants	440	92,848	2,563	95,851	150	96,001
Conferences and trainings	28,252	55,322		83,574		83,574
Depreciation	1,962	6,568		8,530	948	9,478
Supplies, equipment and program materials	16,000	82,856		98,856		98,856
Grant and subrecipient expenses:						
Child abuse prevention network	1,412,091			1,412,091		1,412,091
MCT grants to agencies			140,700	140,700		140,700
United Way agencies			20,433	20,433		20,433
Home visiting subrecipient expenses		7,613,849		7,613,849		7,613,849
Legal and accounting fees	3,415	11,435		14,850	1,650	16,500
Professional development					675	675
Rent	13,277	44,406		57,683	6,414	64,097
Office expense	1,153	3,917		5,070	561	5,631
Dues and registration fees	440	45,233	3,317	48,990	845	49,835
Prevention initiatives			42,449	42,449		42,449
Promotions/public awareness			4,219	4,219		4,219
Insurance	1,813	10,568		12,381	1,375	13,756
Telephone	1,417	4,744	303	6,464	650	7,114
Printing and publications	1,980	3,744	266	5,990	666	6,656
E-mail/website	30,817		632	31,449	252	31,701
Bank and payrolll service charges	408	1,097		1,505	75	1,580
Total Expenses	$ 1,700,747	$ 8,312,080	$ 274,049	$10,286,876	$ 153,400	$ 10,440,276

Statement of Functional Expenses

Year Ended June 30, 2020

	Program Expenses					
	Child Abuse Prevention	Home Visiting	Public Awareness	Total	Management and General Expenses	Total Expenses
Personnel Expenses						
Salaries and wages	$ 145,682	$ 272,052	$ 45,716	$ 463,450	$ 119,280	$ 582,730
Payroll taxes	12,238	21,684	3,795	37,717	9,983	47,700
Employee benefits	20,615	41,469	4,018	66,102	10,191	76,293
	178,535	335,205	53,529	567,269	139,454	706,723
Expenses						
Consultants	2,631	114,396		117,027		117,027
Conferences and trainings	28,326	40,727	150	69,203		69,203
Depreciation	1,422	7,108		8,530	948	9,478
Supplies, equipment and program materials	28,315	117,715		146,030		146,030
Grant and subrecipient expenses:						
Child abuse prevention network	1,411,922			1,411,922		1,411,922
MCT grants to agencies			45,750	45,750		45,750
United Way agencies			104,237	104,237		104,237
Home visiting subrecipient expenses		7,542,211		7,542,211		7,542,211
Annual event					350	350
Legal and accounting fees	2,880	11,520		14,400	1,600	16,000
Professional development					150	150
Rent	9,785	48,085		57,870	5,962	63,832
Office expense	1,439	3,519	1,119	6,077	1,881	7,958
Dues and registration fees	1,000	7,500	2,125	10,625	991	11,616
Prevention initiatives			14,340	14,340		14,340
Promotions/public awareness			17,857	17,857		17,857
Insurance	1,626	10,276		11,902	1,323	13,225
Travel	2,077	24,553		26,630	126	26,756
Telephone	1,153	5,224	47	6,424	714	7,138
Printing and publications	2,474	5,099		7,573	841	8,414
E-mail/website	31,259		615	31,874	711	32,585
Bank and payrolll service charges	312	1,253		1,565	44	1,609
Total Expenses	$ 1,705,156	$ 8,274,391	$ 239,769	$10,219,316	$ 155,095	$ 10,374,411

Statements of Cash Flows

Years Ended June 30,

	2021	2020
Cash flows from operating activities:		
Change in net assets	**$ 416,729**	$ 738,764
Adjustments to reconcile change in net assets		
to net cash flows from operating activities:		
Depreciation	**9,478**	9,478
Net realized and unrealized loss on investments	**(290,963)**	(2,996)
(Increase) decrease in operating assets:		
Grants receivable	**(334,788)**	267,956
Prepaid expenses	**(124)**	113
Increase (decrease) in operating liabilities:		
Accounts payable	**518,418**	44,429
Accrued payroll and vacation	**15,539**	14,339
Deferred revenue		(638,205)
Net cash flows from operating activities	**334,289**	433,878
Cash flows from investing activities:		
Increase in pledges receivable	**(38,053)**	(37,370)
Purchase of investments	**(62,777)**	(65,908)
Net cash flows from investing activities	**(100,830)**	(103,278)
Net change in cash and cash equivalents	**233,459**	330,600
Cash and cash equivalents at beginning of year	**1,092,934**	762,334
Cash and cash equivalents at end of year	**$ 1,326,393**	$ 1,092,934

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

Notes to Financial Statements

June 30, 2021 and 2020

NOTE 1 – NATURE OF THE ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

The Maine Children's Trust, Inc., a charitable corporation (the Trust), was established to provide a mechanism for voluntary contributions by individuals and groups for annual and long-term funding throughout Maine of child abuse and neglect prevention programs. The Trust provides training and advocates for increased services for Maine families as well as works to increase public awareness around the issue of child abuse and neglect prevention. The Trust holds the charter for Prevent Child Abuse Maine and provides management and administration of the Maine Families program including management of the Local Implementing Agencies who deliver the direct client services of the program at the local level. These services are primarily funded by contracts with the State of Maine.

Basis of Presentation

Net assets and revenues, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Trust and changes therein are classified and reported, as follows:

> **Net Assets without Donor Restrictions** – Net assets available for use in general operations and not subject to donor or certain grantor restrictions.
>
> **Net Assets with Donor Restrictions** – Net assets subject to donor or certain grantor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets recognized as revenue when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires; that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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.

Cash Equivalents

The Trust considers investments with original maturities of three months or less to be cash equivalents. Cash and cash equivalents are maintained in interest-bearing accounts. Cash and cash equivalents designated for long-term purposes are not considered cash and cash equivalents for purposes of the statement of cash flows.

Revenue Recognition

The Trust recognizes all contributed income in the period received. Contributed support is reported as unrestricted or restricted depending on the existence of donor stipulations that limit the use of the support. When a restriction expires, that is, when a stipulated time restriction ends or the purpose restriction is accomplished, donor restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met.

Support received under grants and contracts is recorded as public support when the related amounts are determined to be earned and due from grantor agencies.

Notes to Financial Statements

June 30, 2021 and 2020

NOTE 1 – NATURE OF THE ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Grants and Accounts Receivable

All grants and accounts receivable are stated at the amount management expect to collect from balances outstanding at year-end. Balances outstanding after management has used reasonable collection efforts are written off through a charge to bad debt expense and a credit to the applicable accounts receivable. Management does not believe an allowance for uncollectible accounts receivable was necessary at June 30, 2021 and 2020.

Pledges receivable are recorded when the unconditional promises to give are made. Unconditional promises to give receivable within the next year are reflected as current pledges receivable. Unconditional promises to give due in subsequent years are reflected as long-term promises to give. Uncollectible pledges are charged to operations in the period that management determines collection to be doubtful. If the pledges were recorded at the present value of their net realizable value and the reserve method of accounting was used, it would not have a material effect on the financial statements.

Land, Property and Equipment

Land, property and equipment is stated at cost at the date of acquisition or fair value at date of donation in the case of gifts. Minor repairs are expensed in the year incurred. Major additions over $5,000, with useful lives greater than one year, are capitalized and depreciated using the straight-line method over estimated useful lives, which range from four to thirty-one years.

Investments

Investments in equity securities with readily determinable fair values are measured at their fair value in the statements of financial position. Realized and unrealized gains and losses are included in the statements of activities. Donated securities are recorded at their fair market value at the date of donation.

Investments are exposed to various risks, such as significant world events, interest rate, credit, and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the fair value of investments will occur in the near-term and that such changes could materially affect the amounts reported in the statements of financial position.

Investment and Spending Policy

The Trust has adopted investment and spending policies for endowment assets such as to provide greater financial resources for the prevention of child abuse and neglect in Maine. Such investments shall not entail items which are deemed contrary to the well-being of children and families or would bring undue criticism to the Trust. The Trust will not invest in companies whose primary revenues are derived from tobacco and alcohol. The Trust will pursue a 3-tiered investment strategy with varying risks. The fiduciary agent is required to seek approval from the Finance Committee or Executive Director regarding significant departures from 3-tiered percentage allocations.

The Trust's spending policy states that 5% per annum of the Trust's endowment income may be expended on operations and/or programming as long as a given year's investment income equals or exceeds 5% of the corresponding year's endowment. The Trust has not expended endowment fund income for the years ended June 30, 2021 and 2020.

Notes to Financial Statements

June 30, 2021 and 2020

NOTE 1 – NATURE OF THE ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Functional Allocation of Expenses

The Trust allocates expenses on a functional basis among its programs and supporting services. Supporting services are those related to operating and managing the Trust and its programs on a day-to-day basis and are composed of the following:

General and administrative – includes all activities related to the Trust's internal management and accounting for program services.

Fundraising – includes all activities related to maintaining contributor information, writing grant proposals, distribution of materials and other similar projects related to the procurement of funds for the Trust's programs.

Expenses that can be identified with a specific program or supporting service are allocated directly to those classifications. Expenses that are attributed to more than one program or supporting function require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and wages, benefits, and payroll taxes, which are allocated on the basis of actual time and effort.

Income Taxes

The Trust is qualified as an organization exempt from income taxes under Section 501(c) (3) of the Internal Revenue Code; therefore, no provision for income taxes has been made. The Trust does not believe it has done anything during the past year that would jeopardize its tax-exempt status at either the state or federal level. The Trust reports its activities to the IRS in an annual information return. These filings are subject to review by the tax authorities generally for three years after they were filed.

Recent Accounting Pronouncements

Leasing

In February 2016, the FASB issued ASU 2016-2, *Leases.* This new standard will provide users of the financial statements a more accurate picture of the assets and the long-term financial obligations of entities that lease. The standard is for a dual-model approach; a lessee would account for most existing capital leases as Type A leases, and most existing operating leases as Type B leases. Both would be reported on the balance sheet of the entity for leases with a term exceeding 12 months. For nonpublic companies, the new leasing standard would apply for fiscal years beginning after December 15, 2021. The standard requires retroactive application. Management is currently evaluating the impact of adoption on its financial statements.

Contributed Nonfinancial Assets

In September 2020, FASB issued ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets.* This new standard will increase the transparency of contributed nonfinancial assets for not-for-profit entities through enhancements to presentation and disclosure. The amendments provide specific presentation requirements which include qualitative information about how the nonfinancial assets were either monetized or utilized during the reporting period. The new standard would apply for annual periods beginning after June 15, 2021. The standard requires retroactive application and early adoption is permitted. Management is currently evaluating the impact of adoption on its financial statements.

Notes to Financial Statements

June 30, 2021 and 2020

NOTE 2 – LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditures: that is without donor or other restrictions limiting their use within one year of the balance sheet date, comprise the following as of June 30, 2021 and 2020:

	2021	2020
Cash and cash equivalents	**$ 1,326,393**	$ 1,092,934
Grants receivable	**882,292**	547,504
Pledges receivable	**237,713**	199,660
Investments	**910,809**	747,396
	$ 3,357,207	$ 2,587,494

NOTE 3 – UNCONDITIONAL PROMISES TO GIVE AND GRANTS RECEIVABLE

Unconditional promises to give represent income tax check off contributions of $237,713 and $199,660 at June 30, 2021 and 2020, respectively, not yet received by the Trust.

Grants receivable represents various grants which have been earned by the Trust, but not yet received as of year-end.

Grants receivable consist of the following at June 30:

	2021	2020
Maine Families Program	**$ 799,425**	$ 452,266
Child Abuse Network	**59,744**	83,651
Child Abuse Prevention - Federal	**23,123**	11,587
Total	**$ 882,292**	$ 547,504

Notes to Financial Statements

June 30, 2021 and 2020

NOTE 4 – DEFERRED REVENUE

Deferred revenue consists primarily of revenue received from grants and agreements with federal and state departments, which was not spent as of the end of the year but required to remain in the program as outlined in the agreements. These amounts are normally utilized within the next fiscal year and therefore classified as a current liability. Deferred revenue as of June 30, 2021 and 2020 is as follows:

	2021	2020
Event	**$ 2,000**	$ 2,000

Deferred revenue consisted of the following at June 30,

	2021	2020
Deferred revenue, beginning of year	**$ 2,000**	$ 640,205
Revenue recognized from prior year		(640,205)
Increase due to sponsorship received for future events		2,000
Deferred revenue, end of year	**$ 2,000**	$ 2,000

NOTE 5 – CONCENTRATIONS

The Trust is supported primarily through government grants and fees. Approximately 96% and 98%, for the years ended June 30, 2021 and 2020, respectively, of the Trust's support came from grants, contracts and fees from federal and state governments.

The Trust maintains cash balances at several financial institutions. Accounts at these institutions are insured by the Federal Deposit Insurance Corporation up to $250,000. The Trust's cash balances periodically exceed the insured limit. The Trust has not experienced any losses in these accounts and believes that they are not exposed to any significant risk on cash and cash equivalents.

NOTE 6 – INVESTMENTS

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.

Notes to Financial Statements

June 30, 2021 and 2020

NOTE 6 – INVESTMENTS – CONTINUED

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 and related amounts of subjectivity associated with the inputs to fair valuation of these assets and liabilities are, as follows:

> Level 1 – Inputs are 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 period ended June 30, 2021, there were no transfers between levels.

Investments were comprised of the following as of June 30:

	2021		
	Cost	**Market Value**	**Unrealized Gain**
Mutual Funds	**$ 1,254,231**	**$ 1,658,205**	**$ 403,974**

	2020		
	Cost	Market Value	Unrealized Gain
Mutual Funds	$ 1,042,606	$ 1,304,465	$ 261,859

Notes to Financial Statements

June 30, 2021 and 2020

NOTE 6 – INVESTMENTS – CONTINUED

Fair value of assets measured on a recurring bases at June 30, 2021 are, as follows:

	Fair Value Measurements Reporting Date Using			
	Level 1	Level 2	Level 3	Total
Mutual Funds	$ 1,658,205			$ 1,658,205
Sirois Assoc. Common Stock			$ 30,000	30,000
	$ 1,658,205		$ 30,000	$ 1,688,205

Fair value of assets measured on a recurring bases at June 30, 2020 are, as follows:

	Fair Value Measurements Reporting Date Using			
	Level 1	Level 2	Level 3	Total
Cash	$ 8,337			$ 8,337
Mutual Funds	1,296,128			1,296,128
Sirois Assoc. Common Stock			$ 30,000	30,000
	$ 1,304,465		$ 30,000	$ 1,334,465

NOTE 7 – DONOR DESIGNATED ENDOWMENT

The Trust's endowment was established pursuant to the State of Maine Statutes, Chapter 1058 subsection 3885. A minimum of 10% of tax checkoff revenue received each year from individuals must be set aside for allocation to the segregated endowment fund. Up to 90% of the checkoff revenue and other income received by the endowment fund may be expended annually by the Trust in accordance with this chapter.

The Trust classifies as net assets with donor restrictions (a) the original value of funds received from the State checkoff revenue and (b) subsequent additions to the funds. Income and net appreciation (depreciation) is reported as net assets without donor restrictions.

Changes in endowment net assets for the year ended 2021 are as follows:

	Without Donor Restrictions	Donor Endowment	Total
Beginning of year	$ 1,120,301	$ 184,164	$ 1,304,465
Investment return:			
Investment income	58,749		58,749
Net gain on investments	290,963		290,963
10% of Tax Check Off Revenue		4,028	4,028
Net assets released from restrictions	3,717	(3,717)	
End of year	$ 1,473,730	$ 184,475	$ 1,658,205

Notes to Financial Statements

June 30, 2021 and 2020

NOTE 7 – DONOR DESIGNATED ENDOWMENT – CONTINUED

Changes in endowment net assets for the year ended 2020 are as follows:

	Without Donor Restrictions	Donor Endowment	Total
Beginning of year	$ 1,055,114	$ 180,447	$ 1,235,561
Investment return:			
Investment income	62,191		62,191
Net gain on investments	2,996		2,996
10% of Tax Check Off Revenue		3,717	3,717
End of year	$ 1,120,301	$ 184,164	$ 1,304,465

NOTE 8 – COMMITMENTS

Operating Leases

The Trust leases office space under a 3-year lease beginning May 2019 with monthly rental payments of $4,968. The lease is scheduled to expire in June 2022. Rent expense was $59,616 for both the years ended June 30, 2021 and 2020. The Trust also has an operating lease for its photocopier with monthly payments of $402, which began July 2019 and expires June 2022. Lease expense was $4,822 for both the years ended June 30, 2021 and 2020, respectively. Future minimum lease payments for the years ending June 30, 2022, is $64,438.

NOTE 9–PENSION PLAN

The Trust adopted a retirement program which consists of a Simplified Employee Pension (SEP) account established for permanent full-time employees over 21 years of age with one year of service. The Trust contributes a percentage of each employee's gross salary into the account. Contributions to the pension plan for the years ended June 30, 2021 and 2020 were $33,400 and $28,786, respectively.

NOTE 10 – CONTINGENT LIABILITIES

The Trust participates in a number of federal and state assisted grant programs. These programs are subject to financial and compliance audits by grantors and their representatives. The audits of these programs for the year ended June 30, 2021 have not been completed. Accordingly, the Trust's compliance with applicable grant requirements will be established at some future time. The amount, if any, of expenditures which may be disallowed by such grantor agencies cannot be determined at this time although management expects such amounts, if any, to be minimal.

Notes to Financial Statements

June 30, 2021 and 2020

NOTE 11 – GRANTS

The Trust receives various multi-year grants from federal, state and private sources. The following summarizes the remaining portions of multi-year grants that have not been earned or received by the Trust as of June 30:

	2021	2020
Community Based Child Abuse Prevention	**$ 1,667,735**	$ 788,858
Home Visiting	**11,629,380**	5,722,148
Child Abuse Prevention	**1,782,000**	
	$ 15,079,115	$ 6,511,006

NOTE 12 – RELATED PARTY TRANSACTIONS

The Trust contracts with many organizations, with similar missions, which participate as sub-recipients in the Trust's programs. The sub-recipient organizations also have a member of Management who serves on the Trust's Board of Directors. The Trust has no ownership or voting interests in the sub-recipient organizations. The following is a summary of funding provided to the sub-recipient organizations for the fiscal years ended June 30:

	2021	**2020**
Aroostook Council for Healthy Families	**$ 634,948**	$ 684,550
Franklin County Children's Task	**704,115**	749,065
Kids Free to Grow	**236,000**	154,855
KVCAP Kennebec County	**163,000**	138,399
KVCAP Somerset County	**160,500**	156,663
KVCAP Maine Families	**995,617**	926,329
KVCAP/FEC		1,685
	$ 2,894,180	$ 2,811,546

The Trust contracted with a board members and a sub-recipient agency associated with a board member for consulting and/ or trainings. They were paid $44,598 and $2,585 for the years ended June 30, 2021 and 2020, respectively.

Notes to Financial Statements

June 30, 2021 and 2020

NOTE 12 – RELATED PARTY TRANSACTIONS - CONTINUED

The following is a summary of amounts payable to related parties for the year ended June 30:

	2021	2020
Aroostook Council for Healthy Families	**$ 62,175**	$ 55,758
Franklin County Children's Task	**73,305**	59,585
Kids Free to Grow	**22,763**	17,200
Kennebec Valley Community Action Program	**91,647**	93,100
	$ 249,890	$ 225,643

NOTE 13 – EVALUATION OF SUBSEQUENT EVENTS

Management has made an evaluation of subsequent events to and including January 19, 2022, which was the date the financial statements were available to be issued, and determined that any subsequent events that would require recognition or disclosure have been considered in the preparation of the financial statements.