



MAINE
CHILDREN'S
TRUST 

Annual Report 2021



**What if we all collectively helped
to unburden parents,
both in our communities
and as a nation?**

**What could that look like and
what would it take?**

Our Mission

Maine Children's Trust works to strengthen families, promote healthy relationships, and support communities to prevent child abuse and neglect.

Our Vision

All Maine children grow up in safe, stable, nurturing families and communities.

Our Values

We believe:

That child abuse is preventable;
In fostering collaboration;
Our work must respect and engage differences;
We must be resource conscious.

Maine Children's Trust envisions a world where all children thrive, and all people are treated with dignity and respect. We recognize that communities of color face disproportionate effects of adversity. The Maine Children's Trust commits to looking inward and outward to do our part toward eliminating systemic racism and discrimination. We believe Mainers want the best for all children. We all have a role to play in ensuring equity and eliminating the disparities that impact our children's futures.

History

Maine Children's Trust was originally created by Statute in 1985 as a part of State Government. In 1994, legislation was enacted that transformed the Trust into a 501(c)3 non-profit governed by a Board of Directors and designated the Trust as a Maine income tax checkoff recipient. The Trust's governing guidelines remain in statute. The Trust provides leadership and coordination of efforts throughout Maine to prevent child abuse and neglect before it occurs. The Trust provides funding and supports for prevention programming, as well as coordinates several statewide collaborative initiatives to strengthen families and prevent child abuse and neglect.

Affiliations

- **Office of the Administration for Children & Families
Community-Based Child Abuse Prevention | State Lead**
- **Prevent Child Abuse America | State Chapter**
- **Brazelton Touchpoints Site | Maine Touchpoints Project**
- **Circle of Parents | State Chapter**
- **National Alliance of Children's Trust and Prevention Funds |
Network Affiliate**
- **Parents as Teachers | State Office**
- **National Family Support Network Affiliate | State Network Lead**
- **Association of State and Tribal Home Visiting Initiatives |
Member**

2021 Board of Directors

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Drummond Woodsum

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Greg P. Mitchell
Sergeant, Maine State Police

Marianne Moore
Senator, Maine State Legislature

Christopher J. Pezzullo, D.O.
(Executive Committee Member)
Clinical Director, Maine Primary Care
Association

Kim Russell
State Director, Fight Crime: Invest in Kids
Maine

Renee Whitley*
Executive Director, Franklin County Children's
Task Force

***Represents a local Prevention Council**

MESSAGE FROM OUR BOARD CHAIRS & EXECUTIVE DIRECTOR

Uncertainty has been a universal experience of 2021. When will we return to the office? Will my childcare be open? How do I manage when the shelves at the grocery are so empty? How can I do my job while my children are quarantined at home? Will my elderly parents survive a bout with Covid? The pandemic has touched us all and caused an untold amount of stress this past year.

When you overlay the pandemic stressors on top of any of the all too prevalent stressors that many families face, such as lack of financial resources to meet basic needs, lack of support from family and friends or other social connections, lack of good physical or emotional health, or the lack of ability to bounce back from adversity, families become overburdened.



Parents who are overloaded are not able to be available to their children. This manifests in ways that are commonly thought of as neglect. Neglect is by far the most reported form of child abuse in Maine and nationally. Neglect doesn't mean that parents don't care about their children. In most cases it means that they do not have enough bandwidth to cope with all they are burdened with and still meet their children's needs. What if we all collectively helped to unburden parents, both in our communities and as a nation? What could that look like and what would it take? In our communities, we could make sure we know our neighbors and offer to lend a hand. We could share some words of understanding with the parent in the grocery whose child is having a meltdown. We could make sure our community has a place for families to find the resources and support that they need. As a nation, we could make sure that all new parents have some paid leave time to get to know their baby and to adjust to the demands that parenthood brings and we could strengthen economic security for families by offsetting the high cost of childcare. We could be sure that every family with babies and young children has access to the kind of support that they need such as family visiting.

We all have a role in being sure that every child is able to reach their full potential. In 2021, Maine Children's Trust supported the launch of the Front Porch Project, a new community-based initiative that provides community members with the knowledge, skills, and encouragement they need to take an active role in preventing abuse and neglect before it occurs. We encourage everyone to take part in a session to learn how you can become a supporter of child and family wellbeing and can help make your community the kind of community that everyone wants to live in – caring, supportive and connected.

Charles Soltan, Esq.
Board Co-Chair

Ben Gilman, Esq.
Board Co-Chair

Pam LaHaye
Executive Director



Our Call to Action

Every child is filled with tremendous promise and we all have a shared obligation to foster their potential, growth and development. Sadly, not all children are able to reach their potential due to maltreatment, but it doesn't have to be that way. We can change that trajectory for them by working together to make our state a place where children, including those who experience adversity, can thrive because adversity is buffered by support. Together, we can make Maine a place where everyone looks out for children and works to make their communities supportive and connected.

Children thrive when they have regular interactions with responsive, caring adults. Yet neglect is the most commonly reported form of child maltreatment, and it can have long-term effects on children's health and development. Neglect often occurs without intent to harm. Child neglect is more likely to occur in families that are experiencing an overload of stress. The weight of poverty can overload parents' abilities to provide the supportive relationships children need. Family issues, which also reflect broader systems issues such as poverty, mental health, homelessness, domestic violence and stress, can limit parental capacity and contribute significantly to a child being neglected.

Community conditions shape a family's life and a child's experiences. Much like a truck that can only carry so much weight before it stops moving forward, difficult life situations can overload parents, making it difficult for them to focus on the best care and support for their children. To support families in providing the best care possible, we need to assist with alleviating community burdens that weigh families down and remove unnecessary obstacles so families and communities thrive.

Our Action Areas

The Trust focuses our efforts to support Maine communities and families in three areas:



Strengthening Communities - We know when communities are strong, inclusive, and supportive then children and families thrive. Support is provided to communities through partnerships, resources, and evidence-based strategies.



- Prevention Councils match their programming to local needs based on annual community needs assessments and feedback from their local Advisory Boards (made up of 234 local community leaders), as well as community requests.
- We work with over 15 local organizations, as well as numerous state and federal organizations, because we know that no single individual, organization, or government agency working alone can stop child maltreatment. It is imperative that we work together, sharing best practices and expertise in learning communities, training, and resources.
- The Trust provided 55 trainings for our contracted partners. In turn, during the state fiscal year, our partners provided 265 trainings to family-serving professionals that included 1,178 educators, 876 childcare providers, and 681 social services professionals.



Supporting Families - Programs and assistance to families are tailored to the community needs by utilizing various data sets, evaluation results, community feedback, requests, and ongoing involvement by community leaders.



- Family (Home) Visiting, offering individualized parenting education and support, was provided to 1,926 caregivers with 1,739 children through 19,052 home visits last year.
- Prevention Councils assisted families were assisted with everyday parenting challenges through multi-session parenting education groups with 1571 caregivers attending last year.
- Provided supportive environments for families to connect and share resulting in 649 caregivers participating in support groups.
- Concrete supports provided directly to families through our partners included 13,711 diapers, formula, and clothing.



Leading Primary Prevention Efforts - The Trust is leading child abuse prevention efforts in Maine through training and expertise to guide proven prevention initiatives both locally and statewide.



- The Trust provided 24 community grants focused on child abuse prevention efforts distributed through an annual granting process to local agencies.
- Offering evidence-based child abuse prevention trainings, the Trust strengthens the capacity of local programs to deliver high-quality services.
- A social norms campaign with media messaging was developed to focus on normalizing the need for support for all families.
- To demonstrate quality in all we do, MCT utilizes the National Standards of Quality for Family Strengthening and Support, evaluation, a continuous quality improvement process, and earned endorsement of programming.
- Unifying local, state, and regional organizational efforts, the Trust convenes a statewide Infant Safe Sleep & Period of Purple Crying Coalition to share data, best practices, resources, and expertise to protect our most vulnerable population, infants under one.

CBCAP Supported Initiatives

Maine Children's Trust (MCT), like 11 other Children's Trust Funds across the nation, is the designated Community-Based Child Abuse Prevention (CBCAP) entity here in Maine. Established by Title II of CAPTA, the Children's Bureau provides this funding to a lead entity in each state as designated by the Governor to administer these funds for implementation of community-based and prevention-focused programs and activities designed to strengthen and support families to prevent child abuse and neglect. The purpose of the CBCAP program is to support community-based efforts to develop, operate, expand, enhance, and coordinate initiatives, programs, and activities to prevent child abuse and neglect and to support the coordination of resources and activities to better strengthen and support families to reduce the likelihood of child abuse and neglect; and to foster understanding, appreciation, and knowledge of diverse populations in order to effectively prevent and treat child abuse and neglect.

Maine Children's Trust was established in statute to lead child abuse prevention efforts and the exercise of the powers conveyed by the statute is held to be an essential governmental function. MCT has been designated as the CBCAP lead since CBCAP was reauthorized in 2010, and for many years prior to that time, was the CAPTA state lead for prevention through the Community Based Family Resource and Support Program.

Core features of CBCAP follow with examples of how they are implemented by Maine Children's Trust:

- ***Federal, State, and private funds are blended and made available to community agencies for child abuse and neglect prevention activities and family support programs.*** In Maine, the Trust provides granting to local organizations to support child abuse prevention efforts in every county. The Prevention Councils (also in statute as the Child Abuse and Neglect Prevention Councils), which act informally as Family Resource Centers, are funded by OCFS. They conduct annual needs assessments, create OCFS approved annual prevention plans using child maltreatment data and input from an Advisory Board, that includes a mix of local leaders, parents, community members and OCFS representatives.
- ***An emphasis on promoting parent leadership and participation in the planning, implementation and evaluation of prevention programs.*** Granting is provided with intentional coordination and support to the Prevention Councils to focus on family engagement efforts and parent leadership opportunities through our National Family Support Network affiliation (with Diversity, Equity, and Inclusion focus) and uses the Standards of Quality for Family Strengthening & Support, a tool for planning, providing, and assessing quality practice.
- ***Interagency collaborations with public and private agencies in the States to form a child abuse prevention network to promote greater coordination of resources.*** The child abuse prevention network was formalized in 2015 with funding from OCFS, and was the first substantial statewide coordinated effort focusing on child abuse prevention efforts. Through this effort, the Trust supports nine agencies to staff 16 Prevention Councils in their statutory role as the county-level coordinating entity to lead and deliver child abuse prevention efforts. MCT works closely with the OCFS and the Maine CDC to offer prevention programming.

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- ***Funds are used to support programs such as voluntary home visiting programs, parenting programs, family resource centers, respite and crisis care, parent mutual support, and other family support programs.*** In the past year, CBCAP funds in Maine supported the prevention workforce in both home visiting (Maine Families) and the Prevention Council network with professional development and training in diversity, equity, and inclusion as well access to translation and interpreter services. It funded supports for evidence-based and informed parenting education and support groups through the Prevention Councils. Clinical support was also provided to the Prevention Councils' staff.
 - ***An emphasis on promoting the increased use and high quality implementation of evidence-based and evidence-informed programs and practices.*** The Trust supports evidence-based and informed programs and practices for both home visiting and the Prevention Council network. There are over 17 state-approved curricula offered to our network. Additionally, we support our most vulnerable population-our children under the age of one with two national programs, Cribs for Kids and the Period of PURPLE Crying, in collaboration with DHHS and hospitals. The Trust provides portable pack n' plays to those in need of a safe sleep environment with required education on safe infant sleep practices through the Prevention Councils. MCT also trained Catholic Charities in this curriculum to provide safe sleep education and portable cribs to Maine's newly arrived asylum-seeking and immigrant populations in need in their native language. Infant safe sleep and shaken baby prevention education is provided by each Prevention Council in every county. Efforts for both are also coordinated with the statewide Infant Safe Sleep and Shaken Baby Prevention Coalition convened by the Trust.

Programs can also finance the development of a continuum of preventive services through public-private partnerships, financing the start-up, maintenance, expansion, or redesign or child abuse prevention programs, maximizing funding through leveraging funds, and financing public education activities that focus on the promotion of child abuse prevention.* MCT has three initiatives to provide community outreach and public awareness of child abuse prevention efforts. 1) Granting and training were provided to the Prevention Councils to support bystander public awareness and education - The Front Porch Project® of Maine (FPP). The goal is simple – to engage and train the community to help protect children, support families, and prevent abuse and neglect. 2) Our social norms campaign, In It Together Maine, is intended to normalize that parenting is hard and it is ok to ask for help. It helps parents navigate parenting during the uncertainties of this difficult time by connecting them with the local parenting resources the Prevention Councils provide, as well as fostering social connections. 3) April is National Child Abuse Prevention Month, and the Prevent Child Abuse America's (PCAA) Maine affiliate, we provide the PCAA public awareness toolkit to all Prevention Councils to share common messaging and promote prevention.

* <https://www.acf.hhs.gov/cb/grant-funding/community-based-child-abuse-prevention-cbcap-grants>

Central Coordination

Maine Children's Trust has supported home visiting in Maine since the 1990's through advocacy, grants and training. In 2010, the Trust assumed responsibility for providing system coordination, quality assurance and technical assistance with all the State contracted home visiting sites. Nine years ago, all home visiting system supports came under the Trust's umbrella – quality assurance, quality improvement, training, technical assistance, staff credentialing, along with data collection and reporting. The Trust became the home of the Parents As Teachers State Office, the national model utilized by Maine's home visiting system. During this time, more in-depth Standards of Practice were created that allowed for even greater consistency in services offered by the local contracted agencies delivering the program.

In 2016, the Maine DHHS consolidated all home visiting contracts and the system supports (infrastructure) into one contract with the Trust. The Trust has managed the direct service contracts with the local agencies since that time for no additional cost to the grant beyond the infrastructure costs. All Maine Families sites have achieved and maintained Blue Ribbon Affiliate status with Parents as Teachers (PAT) after undergoing a rigorous endorsement process.

Funding for Maine Families is provided by the Department of Human Services: Maine Center for Disease Control and Prevention.

Local Contacts

Androscoggin, Oxford, & Northern Cumberland

Community Concepts, Inc.
207-783-3990

Aroostook

Aroostook Council for Healthy Families
207-532-1141

Greater Portland

The Opportunity Alliance
207-553-5801

Franklin

Franklin County Children's Task Force
207-778-6960

Hancock

Maine Family Planning
207-667-5304 Ext. 225

Kennebec & Somerset

KVCAP
207-859-1577

Knox, Lincoln, Sagadahoc, & part of Cumberland

The Parent Program of MidCoast Maine
207-832-0343

Penobscot & Piscataquis

Penquis
207-974-2481

Waldo

University of Maine Cooperative Extension
207-342-5971

Washington

Down East Community Hospital
207-225-0438

York

Southern Maine Health Care
207-490-7704

Evidence-Based Services to Families

Offered in every county of the state through a well-established and rigorously accountable system of performance-based contracts with local agencies, Maine Families Home Visiting is a voluntary program available for pregnant women, expectant couples, and parents or primary caregivers of children from birth to age three.

As affiliates of the international Parents as Teachers (PAT) evidence-based model, services are delivered by highly-trained specialists to ensure safe home environments, promote healthy growth and development for babies and toddlers, and provide key connections to needed services. Family visitors use a non-judgmental and compassionate approach that empowers parents with skills, tools, and confidence to nurture the healthy growth of their baby.

The intensity and length of service is matched to family needs in response to an individualized needs assessment. This allows for careful optimization of resources, in which highest-need families receive more frequent visits over a longer period of time. Maine Families consistently delivers positive outcomes for Maine's youngest children and their families in areas such as maternal and child health, child development, safety, and family well-being.

Maine Families Pandemic Response

When the emerging pandemic made visits in the home unsafe, Maine Families quickly shifted to working with families virtually. Maine Children's Trust provided training and guidance in using an interactive video conferencing (IVC) platform for family visits and families were able to continue to receive services by phone or IVC. As visitors and families became accustomed to this new way of connecting, it became clear that virtual visits worked well for many and are here to stay. Going forward we expect that visits will be a mix of in-person and virtual with the focus on what works best for each family.

The workforce that makes up Maine Families has been nothing short of heroic these past two years. They have been there for their families and helped to provide concrete supports and connections to resources that families needed. They have done this while managing many of the same stressors that the families they serve were experiencing. We are grateful for all they do.



Prevention Councils

Central Coordination

Maine Children's Trust has supported the prevention efforts of the Prevention Councils since the 1990's with grant funding, public awareness, and technical assistance. Since 2015, the Maine Department of Human Services has executed agreements with the Trust to lead and coordinate a statewide project to prevent child abuse and neglect. Through this effort, the Trust supports the Prevention Councils in their statutory role as the county-level coordinating entity to lead and deliver child abuse prevention efforts.

The Prevention Council statute guides the Trust in providing central statewide leadership, strengthening the network, and ensuring ongoing delivery of free evidence-based and evidence-informed child abuse programming in every county in Maine. A toolkit has been developed to guide data evaluation, integrate data with community feedback, and develop prevention plans and priorities. The Trust provides a centralized data system, core programming training, and technical assistance to ensure consistency in service delivery, as well as model fidelity.

Funding for the Prevention Councils is provided by the Department of Human Service: Office of Child and Family Services.

Local Contacts

Androscoggin & Oxford
Community Concepts, Inc.
207-783-3990

Aroostook
Aroostook Council for Healthy Families
207-532-1141

Cumberland & York
Kids Free to Grow
207-985-5975

Franklin
Franklin County Children's Task Force
207-778-6960

Hancock & Washington
Sunrise Opportunities
207-225-3426

Kennebec & Somerset
KVCAP
207-859-1577

Knox, Sagadahoc & Waldo Counties
Midcoast Maine Community Action Program
207-859-1577

Lincoln
Healthy Kids
207-563-1818

Penobscot & Piscataquis
Penquis
207-974-2481



Prevention Councils

Evidence-Based and Informed Services to Families

The Prevention Councils use a structured approach to build a system of support for local communities and the families that live in them by:

- Focusing on primary and secondary child abuse prevention strategies
- Utilizing the social-ecological model
- Using the Protective Factor framework, a strengths-based approach developed by the Center for the Study of Social Policy's
- Delivering evidence-based curriculums and supports
- Conducting an annual Needs Assessment
- Creating an annual Prevention Plan that is informed by OCFS Child Maltreatment data
- Offering activities in response to unique county-specific needs and use SMART objectives for each county in Maine
- Encouraging active participation from the community through an Advisory Board comprised of diverse community leaders, as well as leveraging community partnerships
- Evaluating parenting education and professional training to ensure families voices are heard

The Prevention Councils also serve focused populations identified through prevention planning and offer programs for fathers, substance-affected families, co-parenting/separated families, prenatal families, as well as offering education in child sexual abuse prevention. In addition, the Prevention Councils provide training to family-serving professionals in each county in the following trainings: Infant Safe Sleep, Protective Factors, Mandated Reporting and Period of PURPLE Crying, an abusive head trauma prevention training.

Local Resources - Interactive Map

Connection to Local Resources



Local resources by county are shown on an interactive map easily accessible on the Trust's website. Here caregivers and professionals have the latest information on trainings, playgroups, support groups, events, and more provided by each local Prevention Council. The map can be searched by the age of the child(ren), by subject area such as specialty groups for fathers or families with children with special health needs, or by activity. Activities are often held virtually and participants can join from a location that works best for them. Visit www.mechildrenstrust.org and click on Local Resources to find out more.



Strong Families = Strong Communities

What Families Need to Thrive

Science tells us what children need to thrive and affirms what we already know – children need safe, stable, nurturing environments with engaged and responsive caregivers. Social science also tells us what families need to thrive – these things are described as the five Protective Factors. The Strengthening Families Framework, developed by the Center for the Study of Social Policy (CSSP), is a research-informed approach to increase family strengths, enhance child development and reduce the likelihood of child abuse and neglect.



The 5 Protective Factors

- 1) **Knowledge of Child Development:** Information on how kids grow
- 2) **Parental Resilience:** The ability to manage stress and cope with challenges
- 3) **Concrete Supports in Times of Need:** Access to services and resources such as food, shelter, and healthcare
- 4) **Social-Emotional Competence of Children:** Helping children understand their feelings
- 5) **Supportive Social Connections:** Having friends, family, and community that provide emotional support in tough times

What Communities Need to Thrive

CSSP has also developed recommendations for how to apply the Protective Factors approach to transform communities and address root causes of adversity. When the four community conditions below are met, all individuals and families are set up for success.

Essential/Basic Needs: Communities with access for all to things like high quality, affordable, and equitable early learning, k-12 and adult **education**; **health care**; safe, affordable, and reliable **housing**; and **food security**; along with economic opportunities and **family-friendly employment**

Social Support and Connection: Communities with social connections and neighborhood cohesion where community members are willing to reach out to one another and where help-seeking is normalized with a collective acknowledgement that parenting is hard and all parents benefit from support

Racial and Social Justice: Communities that foster an **anti-racist** and **equitable social structure**, including norms and practices that address historical and structural racism, where all can thrive

Social Contract: Communities that shift social norms to foster collective responsibility for the welfare of children create a shift in the social contract (the understanding and agreement between citizens and the government about what citizens are expected to do for themselves and what the government is expected to do). By shifting the norms, a community can encourage high level prevention efforts and messaging, restorative justice practices and a culture of looking out for one another.

Source: <https://cssp.org/wp-content/uploads/2020/12/Community-Conditions-Strengthening-Families-Report-CSSP.pdf>

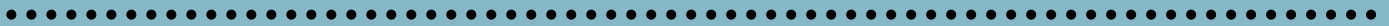
CREATING COMMUNITY CONNECTIONS

In late 2020, Maine Children's Trust launched a new primary prevention project, The Front Porch Project® of Maine, funded in part by donations made on behalf of Marissa Kennedy, a child tragically lost to child abuse. The goal of the Front Porch Project® is simple – to engage and train the community to help protect children, support families, and prevent abuse and neglect.



This free training is provided by local Prevention Councils, both in person or virtually, and is open to everyone. Each training workshop offers facilitated discussions and interactive activities that can help community members navigate difficult situations involving children and families and offers strategies for offering support. The Front Porch Project® is flexible and can be adapted to meet the needs of a specific community. Community members who are equipped with the knowledge, skills, and encouragement they need can take an active role in protecting children and supporting families in their community.

The Front Porch Project® was developed by the Pennsylvania Family Support Alliance. Maine Children's Trust is the first organization to make this project available on a statewide basis.



Launched in the midst of the 2020 coronavirus pandemic, the In It Together Maine campaign provides supports to help parents navigate parenting during the uncertainties of this difficult time by connecting parents with local parenting resources the Prevention Councils provide, as well as fostering social connections. Beyond the span of the pandemic, the campaign hopes to make a lasting effect in the way that Maine families consider the resources available to them, and to cultivate a community of parents that stay in touch and support each other long after the retreat of the virus. The campaign is comprised of a TV commercial, radio ads, social media campaign, and local promotional efforts by Prevention Councils, as well as an online map of resources.



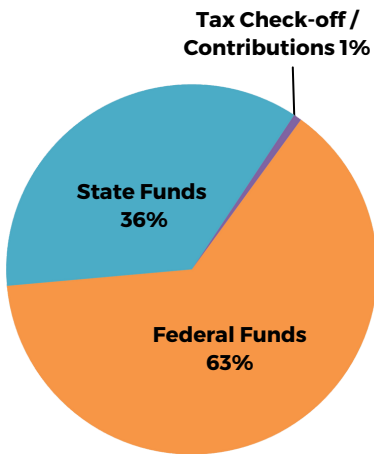
To achieve these goals, the campaign has four specific objectives:

- Change parental attitudes around reaching out for help
- Promote the free services of Prevention Councils as a parenting resource for all parents
- Normalize the idea that parenting is hard
- Provide supports to families during a difficult time

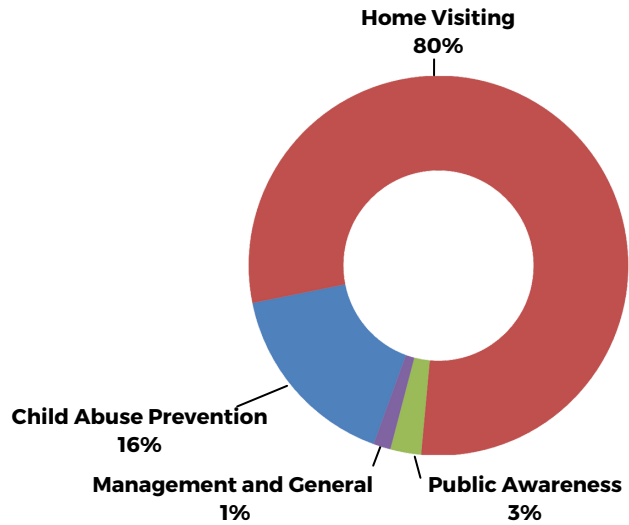
FY21 Financial Overview

Maine Children’s Trust receives funding from both the federal and state governments, as well as individual donors, in support of our mission to prevent child abuse and neglect. According to the Trust’s last audit, 99% of Maine Children’s Trust funding is used to meet its’ mission, with just 1% spent on overhead. Below is an overview summary of our agency funding sources and initiatives funded for FY21 beginning on July 1, 2020.

Agency Funding Sources



Agency Funding Disbursed



Total Revenue By Source

Federal Funds	\$6,665,584
State Funds	\$3,743,833
Tax Check-off/ Contributions	\$74,031
Total Revenue	\$10,483,448

Total Disbursements by Category

Child Abuse Prevention	\$1,700,747
Home Visiting	\$8,312,080
Public Awareness	\$274,049
Management and General	\$153,400
Total Disbursements	\$10,440,276

Executive Team

Executive Director
Pam LaHaye

Assistant Director & Prevention Coordinator
Heidi Aakjer, MPA

Finance Director
Kara Parks

YOU CAN HELP SUPPORT PREVENTION EFFORTS IN MAINE

Every act of giving supports efforts to strengthen communities and support families like yours to prevent child abuse and neglect from occurring. You can make a tax-deductible donation to Maine Children's Trust with three easy options:

- 1** Simply "check off" a donation on your Maine Income Tax Return Schedule CP/Voluntary Contributions and Park Passes
- 2** Mail a check to our address below:
56 Leighton Road
Augusta, Maine 04330
- 3** Go to www.mechildrenstrust.org and click to donate by credit card or PayPal.

Did you know that over 99% of Maine Children's Trust funding is used to meet its mission, with just 1% spent on overhead!

For more information:
Phone: 207-623-5120
Email: info@mechildrenstrust.org





56 Leighton Rd., Augusta, ME 04330

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Financial Report

June 30, 2021 and 2020

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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

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

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	<u>11,109,458</u>	<u>3,717</u>	<u>11,113,175</u>
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	<u>10,219,316</u>		<u>10,219,316</u>
Supporting services			
Management and general	155,095		155,095
Total Expenses	<u>10,374,411</u>		<u>10,374,411</u>
Change in Net Assets	<u>735,047</u>	<u>3,717</u>	<u>738,764</u>
Net Assets, Beginning of Year	<u>1,408,968</u>	<u>180,447</u>	<u>1,589,415</u>
Net Assets, End of Year	<u>\$ 2,144,015</u>	<u>\$ 184,164</u>	<u>\$ 2,328,179</u>

Statement of Functional Expenses

Year Ended June 30, 2021

	Program Expenses			Total	Management and General Expenses	Total Expenses
	Child Abuse Prevention	Home Visiting	Public Awareness			
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
	<u>187,282</u>	<u>335,493</u>	<u>59,167</u>	<u>581,942</u>	<u>139,139</u>	<u>721,081</u>
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 payroll service charges	408	1,097		1,505	75	1,580
Total Expenses	<u>\$ 1,700,747</u>	<u>\$ 8,312,080</u>	<u>\$ 274,049</u>	<u>\$10,286,876</u>	<u>\$ 153,400</u>	<u>\$ 10,440,276</u>

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

Statement of Functional Expenses

Year Ended June 30, 2020

	Program Expenses				Management and General Expenses	Total Expenses
	Child Abuse Prevention	Home Visiting	Public Awareness	Total		
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
	<u>178,535</u>	<u>335,205</u>	<u>53,529</u>	<u>567,269</u>	<u>139,454</u>	<u>706,723</u>
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 payroll service charges	312	1,253		1,565	44	1,609
Total Expenses	<u>\$ 1,705,156</u>	<u>\$ 8,274,391</u>	<u>\$ 239,769</u>	<u>\$10,219,316</u>	<u>\$ 155,095</u>	<u>\$ 10,374,411</u>

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

Statements of Cash Flows

Years Ended June 30,

	<u>2021</u>	<u>2020</u>
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	<u>334,289</u>	<u>433,878</u>
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	<u>(100,830)</u>	<u>(103,278)</u>
Net change in cash and cash equivalents	233,459	330,600
Cash and cash equivalents at beginning of year	<u>1,092,934</u>	<u>762,334</u>
Cash and cash equivalents at end of year	<u>\$ 1,326,393</u>	<u>\$ 1,092,934</u>

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:

	<u>2021</u>	<u>2020</u>
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
	<u>\$ 3,357,207</u>	<u>\$ 2,587,494</u>

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:

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

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:

	<u>2021</u>	<u>2020</u>
Event	<u>\$ 2,000</u>	<u>\$ 2,000</u>

Deferred revenue consisted of the following at June 30,

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

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			Total
	Reporting Date Using			
	Level 1	Level 2	Level 3	
Mutual Funds	\$ 1,658,205			\$ 1,658,205
Sirois Assoc. Common Stock			\$ 30,000	30,000
	<u>\$ 1,658,205</u>	<u></u>	<u>\$ 30,000</u>	<u>\$ 1,688,205</u>

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

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

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	<u>\$ 1,473,730</u>	<u>\$ 184,475</u>	<u>\$ 1,658,205</u>

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	<u>\$ 1,120,301</u>	<u>\$ 184,164</u>	<u>\$ 1,304,465</u>

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:

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

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:

	<u>2021</u>	<u>2020</u>
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
	<u>\$ 2,894,180</u>	<u>\$ 2,811,546</u>

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:

	<u>2021</u>	<u>2020</u>
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
	<u>\$ 249,890</u>	<u>\$ 225,643</u>

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.