BAKER NEWMAN NOYES

Maine Community Foundation and Supporting Organizations

Audited Consolidated Financial Statements

Year Ended December 31, 2020 With Comparative Information for the Year Ended December 31, 2019 With Independent Auditors' Report

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Maine Community Foundation

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Maine Community Foundation and Supporting Organizations (the Foundation), which comprise the consolidated statement of financial position as of December 31, 2020, the related consolidated statements of activities and cash flows for the year then ended, and the related notes to the consolidated financial statements (collectively, the financial statements).

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of December 31, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Board of Directors
Maine Community Foundation

Report on Summarized Comparative Information

We have previously audited the Foundation's 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 11, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Baker Newman + Noyes LLC
Portland, Maine
September 10, 2021

MAINE COMMUNITY FOUNDATION
AND SUPPORTING ORGANIZATIONS

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

December 31, 2020 and 2019

	2020	2019
ASSETS		
Cash and cash equivalents	$ 26,094,987	$ 16,196,923
Investments	644,717,779	566,697,646
Contributions receivable	–	919,345
Prepaid expenses and other receivables	221,863	253,413
Receivable from trusts	4,943,531	4,311,205
Impact investments	2,217,755	2,492,775
Cash surrender value of life insurance	100,418	99,423
Property and equipment, net	1,839,876	715,612
Total assets	$ 680,136,209	$ 591,686,342
LIABILITIES AND NET ASSETS		
Grants payable	$ 3,900,000	$ 2,300,000
Accounts payable and accrued expenses	108,642	183,926
Income beneficiaries payable	1,515,166	1,682,416
Funds held as agency funds	118,551,519	108,334,629
Total liabilities	124,075,327	112,500,971
Net assets:		
Without donor restrictions (note 6)	551,016,933	473,856,909
With donor restrictions	5,043,949	5,328,462
Total net assets	556,060,882	479,185,371
Total liabilities and net assets	$ 680,136,209	$ 591,686,342

See accompanying notes.

MAINE COMMUNITY FOUNDATION
AND SUPPORTING ORGANIZATIONS

CONSOLIDATED STATEMENTS OF ACTIVITIES

Year Ended December 31, 2020 With Comparative
Information for the Year Ended December 31, 2019

	Without Donor Restrictions	With Donor Restrictions	2020	2019
Revenue, gains and other support:				
Contributions	$ 45,495,320	$ –	$ 45,495,320	$ 42,082,387
Less amounts received from agencies	(5,351,844)	–	(5,351,844)	(12,621,810)
Net investment return	98,657,267	–	98,657,267	74,719,084
Less net investment return on amounts held for agencies	(15,031,224)	–	(15,031,224)	(12,830,236)
Remeasurement of charitable gift annuities and trusts receivable	(30,014)	868,638	838,624	383,777
Administrative revenue from amounts held for agencies	812,423	–	812,423	776,665
Other revenue	49	–	49	13,557
	124,551,977	868,638	125,420,615	92,523,424
Net assets released resulting from satisfaction of restrictions	1,153,151	(1,153,151)	–	–
Total revenue, gains and other support	125,705,128	(284,513)	125,420,615	92,523,424
Grants and expenses:				
Grants	52,629,979	–	52,629,979	41,110,860
Less amounts paid to agencies	(9,358,264)	–	(9,358,264)	(4,845,497)
Prior year grants canceled or returned	(77,251)	–	(77,251)	(229,522)
Administrative expenses:				
Program service	2,168,803	–	2,168,803	2,161,028
Management and general	1,827,485	–	1,827,485	1,736,836
Fundraising	1,354,352	–	1,354,352	1,370,288
Total grants and expenses	48,545,104	–	48,545,104	41,303,993
Increase (decrease) in net assets	77,160,024	(284,513)	76,875,511	51,219,431
Net assets at beginning of year	473,856,909	5,328,462	479,185,371	427,965,940
Net assets at end of year	$ 551,016,933	$ 5,043,949	$ 556,060,882	$ 479,185,371

See accompanying notes.

MAINE COMMUNITY FOUNDATION
AND SUPPORTING ORGANIZATIONS

CONSOLIDATED STATEMENTS OF CASH FLOWS

Year Ended December 31, 2020 With Comparative
Information for the Year Ended December 31, 2019

	2020	2019
Cash flow from operating activities:		
Increase in net assets:	$ 76,875,511	$ 51,219,431
Adjustments to reconcile increase in net assets to net cash used by operating activities:		
Depreciation	67,009	46,771
Net unrealized and realized investment gains	(101,477,130)	(74,354,655)
Increase in value of life insurance policies	(995)	(1,313)
Decrease (increase) in contribution receivable	919,345	(717,907)
Decrease (increase) in prepaid expenses and other receivables	31,550	(9,584)
Increase in receivable from trusts	(632,326)	(1,427,881)
Increase (decrease) in grants payable	1,600,000	(3,365,700)
(Decrease) increase in accounts payable and accrued expenses	(75,284)	18,414
Decrease in income beneficiaries payable	(167,250)	(32,394)
Increase in funds held as agency funds	10,216,890	19,832,614
Net cash used by operating activities	(12,642,680)	(8,792,204)
Cash flows from investing activities:		
Purchase of investments	(332,022,428)	(209,822,570)
Proceeds from sale of investments	355,479,425	222,006,521
Purchase of impact investments	(34,980)	–
Sale of impact investments	–	52,422
Payment received on impact investment loans	310,000	1,135,208
Purchase of property and equipment	(1,191,273)	(242,735)
Net cash provided by investing activities	22,540,744	13,128,846
Net increase in cash and cash equivalents	9,898,064	4,336,642
Cash and cash equivalents at beginning of year	16,196,923	11,860,281
Cash and cash equivalents at end of year	$ 26,094,987	$ 16,196,923

See accompanying notes.

1. Description of Organization

The accompanying consolidated financial statements of the Maine Community Foundation (MaineCF) include all accounts of MaineCF and its Type 1 supporting organizations, the Maine Community Supporting Foundation, the Edward H. Daveis Benevolent Fund and the Vincent B. and Barbara G. Welch Supporting Organization (collectively referred to as the Foundation). MaineCF exercises significant control over the supporting organizations. Accordingly, consolidated financial statements are presented which include MaineCF and its supporting organizations. All significant balances and transactions between the entities have been eliminated in the consolidation.

Founded in 1983, MaineCF is a nonprofit community foundation that works with charitably-minded citizens to strengthen Maine communities by building charitable funds, connecting donors to organizations and programs they care about, making effective grants and providing leadership to address community issues.

Incorporated in 1998, Maine Community Supporting Foundation provides support to MaineCF by receiving gifts of real estate and other unique charitable gifts.

The Edward H. Daveis Benevolent Fund became a supporting organization in 2007. Its purpose is to serve charitable organizations that focus on early childhood and youth leadership in the greater Portland, Maine area.

The Vincent B. and Barbara G. Welch Supporting Organization became a supporting organization in 2009. Its purpose is to support charitable and educational programs, including those assisting youth, education, health care, substance use disorder treatment and rehabilitation, and art and culture in the greater Portland, Maine area.

The total net assets of the supporting organizations were $10,052,309 and $9,025,574 as of December 31, 2020 and 2019, respectively.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying consolidated financial statements, which are presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP), have been prepared to focus on the Foundation as a whole.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires the Foundation's management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

2. Summary of Significant Accounting Policies (Continued)

Classification of Net Assets

The Foundation reports information regarding its financial position and activities in two classes of net assets. The Articles of Incorporation of the Foundation include a variance power provision which gives the Board of Directors the power to modify any restriction or condition on the distribution of funds. See Note 6 for further explanation. The net asset classes are as follows:

- Net assets without donor restrictions effectively have no donor-imposed stipulations as to their use. Under the terms of the Governing Documents, the Board of Directors has the ability to distribute as much of the corpus of any separate gift, devise, bequest, or fund as the board in its sole discretion shall determine. As a result of the ability to distribute corpus, all contributions not classified as net assets with donor restrictions are classified as net assets without donor restrictions for financial statement purposes.

- Net assets with donor restrictions contain donor-imposed stipulations that restrict the use or the timing of expending the donated assets. Net assets with donor restrictions include irrevocable charitable trusts, contributions receivable, and the portion of donor-restricted endowment funds that are deemed to be restricted over the donor-specified period of the endowment by explicit donor stipulation. In addition, investment returns from net assets with donor restrictions are classified as net assets with donor restrictions until appropriated for expenditure. Once appropriated, net assets with donor restrictions are released to net assets without donor restrictions. Such transfers are reported in the statement of activities as "net assets released resulting from satisfaction of restrictions."

Spending and Investment Policies

The Foundation has adopted investment and spending policies for all endowment assets, including board designated endowments (see Note 6) that attempt to provide a predictable stream of funding to organizations, scholarships and other programs supported by the Foundation while seeking to maintain the purchasing power of the endowment assets. The Foundation's spending and investment policies work together to achieve this objective.

The long-term investment objective of the Foundation is to preserve and enhance the real value of the assets of the Foundation over time in order to provide a sufficient rate of return for fulfilling the philanthropic purposes of the Foundation. To accomplish this objective, endowment assets are invested for growth in principal and income and for protection against inflation, with a goal to achieve a minimum real total return (adjusted for inflation), net of investment management and administrative fees, of 5% over a rolling three to five-year period. The Foundation recognizes that this goal may be easily achieved in some periods but much harder to achieve in other periods. The Foundation has established a policy portfolio with a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives. For more information, see Note 3.

2. Summary of Significant Accounting Policies (Continued)

The spending policy calculates the amount of money distributed annually from the Foundation's various endowed funds. The annual distribution is used for grant making. The 2020 spending policy is to distribute an amount equal to 4% of the average fund balance measured over a 12-quarter period ending September 30 of the prior year.

For endowed funds that are below their historic gift value (the original value of all endowed gifts into the fund) as of the September 30 measurement date, the spending rate in the next calendar year will be reduced in a manner that will allow the funds to recover the amount below the historic gift value.

Approximately 95% of the assets of the Foundation are subject to an administrative fee that ranges from 0.10% to 1.50%. The actual fee assessed to a specific fund depends on the dollar value of the fund as well as the fund type. The average fee assessed on all funds is approximately 0.76% of the Foundation's assets. The administrative fees cover the entire cost of the administration of the Foundation.

Cash and Cash Equivalents

Cash and cash equivalents include all highly liquid investments with an initial maturity of three months or less, except for those cash equivalents that are held as part of the investment portfolio.

Investments

The investment goal of the Foundation is to invest its assets in a manner that will achieve a total rate of return sufficient to replace the assets spent for grants and expenses and recoup any value lost due to inflation. To manage risk, the Foundation strives to diversify its investments among various financial instruments and asset categories and uses multiple investment strategies and managers. Key investment decisions are made by the Board of Directors' Investment Committee (Investment Committee), which has oversight responsibility for the Foundation's investment program. The Investment Committee's decisions are carried out by the Chief Investment Officer (CIO), the Chief Financial Officer (CFO). Investments are administered by investment managers chosen by the CIO, CFO and the Investment Committee. The investment managers report the assigned values and market values of the investments and are responsible for custody and investment management under supervision of the Investment Committee.

Investment securities are stated at fair value. The fair value of debt securities and marketable equity securities are based on quoted market prices. The fair value of nonmarketable securities for which quoted market prices are not available are determined from information supplied by the investment managers based on the quoted market values of the underlying investments. The Foundation carries alternative investments at estimated fair value as determined by management based upon valuations provided by the respective investment managers. Gains and losses on investments are computed on a specific identification basis. Purchases and sales are recorded on a trade-date basis. Investment income, including realized and unrealized gains or losses, is allocated quarterly to the various funds based on a prorated average value of each fund relative to the entire value of the portfolio.

2. Summary of Significant Accounting Policies (Continued)

The Foundation has applied the accounting guidance in Accounting Standards Codification (ASC) *Topic 820* which permits the use of net asset value (NAV) or its equivalent reported by each underlying alternative investment fund as a practical expedient to estimate the fair value of certain investments. These investments are generally redeemable or may be liquidated at NAV under the original terms of the subscription agreements or operations of the underlying assets. However, it is possible that these redemption rights may be restricted by the fund manager in the future in accordance with the underlying fund agreements, as applicable. Changes in market conditions, the economic environment, or the funds' liquidity provisions may significantly impact the NAV of the funds and, consequently, the fair value of the Foundation's interest in such funds. Although certain investments may be sold in a secondary market, the secondary market is not public and individual transactions are not necessarily observable. It is therefore possible that if the Foundation were to sell its interest in a fund in the secondary market, the sale could occur at an amount materially different from the reported value.

The Foundation's management is responsible for the fair value measurement of investments reported in the consolidated financial statements. The Foundation has implemented policies and procedures to assess the reasonableness of the fair values provided. Because of the inherent uncertainty of valuation for these investments, the estimate of the fund manager or general partner may differ from actual values, and the differences could be significant. The Foundation believes that reported fair values of its alternative investments at the statement of financial position dates are reasonable.

Investment securities, in general, are exposed to various risks, such as interest rate, credit, liquidity and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the consolidated financial statements.

Contributions Receivable

Unconditional promises to give are recorded as contributions in the year the promise is received. Unconditional promises to give, other than those related to funds held as agency funds, that are expected to be received in future periods are discounted using a risk-free rate applicable to the years in which the promises are received. Amortization of the discount is recorded as contribution revenue. An allowance for uncollectible contributions receivable is provided as deemed necessary by management based on a review of the underlying pledges. Amounts are charged off when deemed uncollectible. Management determined that no allowance was required at December 31, 2020 or 2019.

Receivable From Trusts

The Foundation is the beneficiary of certain irrevocable trusts. In cases where the Foundation does not act as trustee, the Foundation has recorded an asset at the present value of the estimated revenue to be received from the trusts, re-measured annually, with the change reflected in the statement of activities. The Foundation did not act as trustee on any irrevocable trust at December 31, 2020 or 2019.

2. Summary of Significant Accounting Policies (Continued)

Property and Equipment

Property and equipment is stated at cost less accumulated depreciation. The Foundation's policy is to capitalize expenditures over $5,000 as major improvements or equipment and charge supplies, maintenance and repairs for expenditures that do not exceed that amount. Depreciation is provided by the straight-line method in a manner which is intended to amortize the cost of the assets over their estimated useful life.

Grants Payable

Grant awards are recorded when approved by the Foundation and the payment of such grant is unconditional.

Income Beneficiaries Payable

The Foundation has recorded a liability for the amount due to income beneficiaries of charitable gift annuities. The present value of the estimated future payments to be distributed during the beneficiaries' expected lives is recorded as a liability using a discount rate of 5% for the years ended December 31, 2020 and 2019.

Funds Held as Agency Funds

ASC 958-605-25, *Transfers of Assets to a Not-for-Profit Organization or Charitable Trust That Raises or Holds Contributions for Others*, requires that if a community foundation accepts a contribution from a not-for-profit organization and the foundation agrees to accept a transfer of those assets, the return on investment of those assets, or both to the not-for-profit organization, then these contributions must be presented as a liability on the foundation's financial statements. The Foundation refers to these funds as agency funds.

The agency fund is reported by the Foundation as an asset on its consolidated statements of financial position offset by a corresponding liability. The not-for-profit organization that transferred the fund continues to report an asset on its statement of financial position.

In order to report all Foundation activity on the consolidated statements of activities, the Foundation includes agency fund activity in total revenue, grants, and expenses and then reduces revenue, grants, and expenses on a separate line for agency activity.

Net Investment Return

Net investment return is reported in the consolidated statements of activities and consists of interest and dividend income, realized and unrealized investment gains and losses, less internal and external investment expenses.

2. Summary of Significant Accounting Policies (Continued)

Income Taxes and Other Taxes

MaineCF and its supporting organization, Maine Community Supporting Foundation, are tax-exempt organizations as described in Section 501(c)(3) of the Internal Revenue Code (the Code) and are generally exempt from income taxes pursuant to Section 501(a) of the Code and qualify as public charities under Section 170(b)(1)(A)(vi) of the Code. The Edward H. Daveis Benevolent Fund and the Vincent B. and Barbara G. Welch Supporting Organization are exempt from federal income taxes under Section 501(a) of the Code.

MaineCF pays unrelated business income taxes on income from certain types of transactions within investment partnerships. Under Maine State law, the Foundation is not exempt from state sales tax on taxable purchases.

In certain circumstances, tax-exempt organizations may be required to record an obligation for income taxes as the result of a tax position they have historically taken on various tax exposure items, including unrelated business income or tax status. Under guidance issued by the Financial Accounting Standards Board (FASB), assets and liabilities are established for uncertain tax positions taken or positions expected to be taken in income tax returns when such positions are judged to not meet the “more-likely-than-not” threshold, based upon the technical merits of the position. Estimated interest and penalties, if applicable, related to uncertain tax positions are included as a component of income tax expense.

Management has evaluated the Foundation’s tax positions and concluded that the Foundation has maintained its tax-exempt status, does not have any significant unrelated business income and has taken no uncertain tax positions that require adjustment to the consolidated financial statements.

Functional Expenses

Expenses are allocated to both programs and support services. Salaries and wages are allocated based on estimates of time spent by the members of the staff. All other expenses are charged to each functional area based on direct expenditures incurred or based on allocation of staff time by functional area. See Note 10.

Fair Value Measurements

As required by ASC Topic 820, the Foundation classifies its investments into:

> Level 1 – Valuations for assets and liabilities traded in active exchange markets, such as the New York Stock Exchange. Level 1 also includes U.S. Treasury and federal agency securities and federal agency mortgage-backed securities, which are traded by dealers or brokers in active markets. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.
>
> Level 2 – Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third-party pricing services for identical or similar assets or liabilities.

2. Summary of Significant Accounting Policies (Continued)

Level 3 – Valuations for assets and liabilities that are derived from other valuation methodologies, including option-pricing models, discounted cash-flow models and similar techniques, and not based on market exchange, dealer, or broker-traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities.

The levels relate to valuation only and do not necessarily indicate a measure of risk.

Risks and Uncertainties

The continued outbreak of the coronavirus disease (COVID-19) has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally, resulting in an economic slowdown. The duration and impact of the COVID-19 outbreak is unknown at this time, nor is the efficacy of the government and central bank monetary and fiscal interventions designed to stabilize economic conditions. Investment markets have experienced increased volatility which may negatively affect the carrying value of the Foundation's investments. Any potential future impact on the Foundation's operations is unknown at this time.

New Accounting Pronouncements

In August 2018, the FASB issued Accounting Standards Update (ASU) No. 2018-13, *Fair Value Measurement (Topic 820) – Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement* (ASU 2018-13). The objective of this update is to improve the effectiveness of disclosures in the notes to the financial statements by facilitating clear communication of the information required by U.S. GAAP that is most important to users of each entity's financial statements. The amendments in this ASU modify the disclosure requirements for fair value measurements for Level 3 assets and liabilities, and eliminate the requirement to disclose transfers between Levels 1 and 2 of the fair value hierarchy, among other modifications. The amendments in this update were effective for the Foundation on January 1, 2020. The adoption of this ASU did not have a significant impact on the Foundation's consolidated financial statements.

In June 2018, the FASB issued ASU No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (ASU 2018-08). Due to diversity in practice, ASU 2018-08 clarifies and improves current guidance about whether a transfer of assets (or the reduction, settlement, or cancellation of liabilities) is a contribution or an exchange transaction. It provides criteria for determining whether the resource provider is receiving commensurate value in return for the resources transferred which, depending on the outcome, determines whether the organization follows contribution guidance or exchange transaction guidance in the revenue recognition and other applicable standards. It also provides a more robust framework for determining whether a contribution is conditional or unconditional, and for distinguishing a donor-imposed condition from a donor-imposed restriction. This is important because such classification affect the timing of contribution revenues and expense recognition. ASU 2018-08 was effective for and adopted by the Foundation as the resource recipient on January 1, 2019 and was effective as the resource provider on January 1, 2020. The Foundation adopted ASU 2018-08 as the resource provider effective January 1, 2020. Adoption of this standard did not result in a significant change in the consolidated financial statements.

2. Summary of Significant Accounting Policies (Continued)

Prospective Accounting Pronouncements

In February 2016, the FASB issued ASU No. 2016-02, *Leases* (*Topic 842*). Under ASU 2016-02, at the commencement of a long-term lease, lessees will recognize a liability equivalent to the discounted payments due under the lease agreement, as well as an offsetting right-of-use asset. ASU 2016-02 is effective for the Foundation on January 1, 2022, with early adoption permitted. Lessees (for capital and operating leases) must apply a modified retrospective transition approach for leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements. The modified retrospective approach would not require any transition accounting for leases that expired before the earliest comparative period presented. Lessees may not apply a full retrospective transition approach. The Foundation is currently evaluating the impact of the pending adoption of ASU 2016-02 on the consolidated financial statements but does not expect significant changes as a result of adoption.

In September 2020, the FASB issued ASU No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. ASU 2020-07 enhances the presentation of disclosure requirements for contributed nonfinancial assets. ASU 2020-07 requires entities to present contributed nonfinancial assets as a separate line item in the consolidated statements of operations and disclose the amount of contributed nonfinancial assets recognized within the consolidated statements of operations by category that depicts the type of contributed nonfinancial assets, as well as a description of any donor-imposed restrictions associated with the contributed nonfinancial assets and the valuation techniques used to arrive at a fair value measure at initial recognition. ASU 2020-07 is effective for the Foundation beginning January 1, 2021. The Foundation is currently evaluating the impact of the pending adoption of ASU 2020-07 on its consolidated financial statements; however, it does not anticipate it will result in a significant change.

Subsequent Events

Events occurring after the date of the consolidated statement of financial position are evaluated by management to determine whether such events should be recognized or disclosed in the financial statements. Management has evaluated subsequent events through September 10, 2021, which is the date the financial statements were available to be issued.

3. Investments

The following table summarizes the Foundation's investments within the fair value hierarchy as of December 31, 2020 and 2019:

2020 Investment Hierarchy	Investments Measured at NAV	Investments Classified in Fair Value Hierarchy Level 1	Level 2	Level 3	Total
Marketable equities:					
U.S. equities	$ 8,174,725	$ 116,653,112	$ 23,713,193	$ –	$ 148,541,030
Non-U.S. developed markets	41,466,876	13,998,480	27,621,384	–	83,086,740
Emerging markets	57,149,213	1,691,815	–	–	58,841,028
Total marketable equities	106,790,814	132,343,407	51,334,577	–	290,468,798
Marketable alternatives:					
Multi-strategy	124,179,184	–	–	–	124,179,184
Distressed debt	13,760,897	–	–	–	13,760,897
Long/short equities	13,323,742	–	–	–	13,323,742
Global equities	17,393,376	–	–	–	17,393,376
Total marketable alternatives	168,657,199	–	–	–	168,657,199
Private equity and venture capital	79,352,801	–	–	–	79,352,801
Real assets:					
Real estate	3,186,970	3,479,673	–	–	6,666,643
Timber	652,080	–	–	–	652,080
Energy	8,537,037	–	–	–	8,537,037
Mining	2,853,386	–	–	–	2,853,386
Other	53,724	–	–	–	53,724
Total real assets	15,283,197	3,479,673	–	–	18,762,870
Fixed income:					
U.S. Treasuries and Agency bonds	–	2,537,339	32,611,288	–	35,148,627
U.S. TIPs	–	472,914	–	–	472,914
Other	–	2,450,820	–	–	2,450,820
Total fixed income	–	5,461,073	32,611,288	–	38,072,361
Cash and cash equivalents:					
Cash – FDIC insured	–	22,890,149	–	–	22,890,149
Cash – Uninsured	–	6,000,000	–	–	6,000,000
Money market funds	–	19,034,722	1,478,879	–	20,513,601
Total cash	–	47,924,871	1,478,879	–	49,403,750
Total investments	$ 370,084,011	$ 189,209,024	$ 85,424,744	$ –	$ 644,717,779

3. Investments (Continued)

2019 Investment Hierarchy	Investments Measured at NAV	Investments Classified in Fair Value Hierarchy			
		Level 1	Level 2	Level 3	Total
Marketable equities:					
U.S. equities	$ –	$ 76,372,574	$ 30,852,854	$ –	$ 107,225,428
Non-U.S. developed markets	40,136,427	14,901,898	29,254,517	–	84,292,842
Emerging markets	44,651,491	3,224,454	–	–	47,875,945
Total marketable equities	84,787,918	94,498,926	60,107,371	–	239,394,215
Marketable alternatives:					
Multi-strategy	120,212,401	–	–	–	120,212,401
Distressed debt	19,010,622	–	–	–	19,010,622
Long/short equities	10,119,670	–	–	–	10,119,670
Global equities	11,910,629	–	–	–	11,910,629
Total marketable alternatives	161,253,322	–	–	–	161,253,322
Private equity and venture capital	51,703,146	–	–	–	51,703,146
Real assets:					
Real estate	3,509,853	963,690	–	–	4,473,543
Timber	583,223	–	36,937	–	620,160
Energy	10,276,512	146,836	1,683,778	–	12,107,126
Mining	2,120,906	–	487,270	–	2,608,176
Commodities	–	–	1,729,422	–	1,729,422
Other	85,058	–	103,810	–	188,868
Total real assets	16,575,552	1,110,526	4,041,217	–	21,727,295
Fixed income:					
U.S. Treasuries and Agency bonds	–	3,507,333	30,222,551	–	33,729,884
Certificates of deposit – FDIC insured	–	310,106	–	–	310,106
Other	–	3,201,542	–	–	3,201,542
Total fixed income	–	7,018,981	30,222,551	–	37,241,532
Cash and cash equivalents:					
Cash – FDIC insured	–	33,866,993	–	–	33,866,993
Cash – Uninsured	–	3,000,000	–	–	3,000,000
Money market funds	–	17,876,522	634,621	–	18,511,143
Total cash	–	54,743,515	634,621	–	55,378,136
Total investments	$ 314,319,938	$ 157,371,948	$ 95,005,760	$ –	$ 566,697,646

3. Investments (Continued)

Marketable Equities

The purpose of the equity allocation (broadly defined to include domestic stocks and foreign stocks) is to provide appreciation of principal that more than offsets inflation over the long run. It is recognized that pursuit of this objective could entail the assumption of greater return variability and risk within individual asset classes. However, the diversification benefits of combining various equity components should enhance the overall portfolio risk-return profile. U.S. equity managers are permitted to invest in publicly traded equity securities, both U.S. and non-U.S., and, where appropriate, fixed income securities as equity substitutes. Non-U.S. managers are permitted to hold equity securities traded in non-U.S. developed and emerging markets.

Marketable Alternative Investments

The role of marketable alternative (MALT) investments, often referred to as "hedge funds," is to increase portfolio diversification through offering sources of return that have a lower correlation to traditional equity and fixed income markets. The objective of marketable alternative investments is to provide relatively consistent returns in most markets and principal protection in significantly down equity markets, reducing overall volatility of the portfolio. Investments in the MALT program may take the form of direct investment in a limited partnership of a single manager or fund-of-funds manager. MALT managers may engage in the use of derivatives (options/futures/forwards) as part of their investment strategy. MALT investments are generally less liquid than their traditional equity counterparts. MALT managers have entry/exit terms and capital lockup periods that range from quarterly to five years from the date of the original investment or re-measurement on an anniversary.

Private Equity and Venture Capital Investments

The purpose of private equity and venture capital is to provide increased return potential and to reduce overall volatility of the portfolio through greater diversification. These investments can be made either in the form of direct investment, partnerships, or fund-of-funds with an investment manager. These assets are less liquid and require a longer investment horizon. Most require a multi-year commitment of capital for a minimum of ten years.

Real Assets

Real assets may include more liquid investments, such as inflation-linked bonds, real estate securities and commodity futures, in addition to nonmarketable investments in real estate, oil and gas producing properties, and timberland, either directly or through fund-of-funds. Investment in real assets is through direct ownership or investment in financial assets, which are related to, or strongly influenced by, the value of the tangible asset.

Fixed Income Investments

The purpose of the fixed income allocation is to provide a hedge against deflation, to increase current income relative to an all-equity fund, and to reduce overall volatility of the fund. The purpose of including opportunistic fixed income assets such as, but not limited to, inflation-linked bonds, global and high yield securities in the portfolio is to enhance the overall risk-return characteristics of the fund.

3. Investments (Continued)

Liquidity

Following are additional details regarding the liquidity of investments at December 31, 2020 and 2019:

2020	Daily	Monthly	Semi-Monthly	Quarterly	1 to 5 Years	Illiquid	Total	Percentage
Marketable equities:								
U.S. equities	$116,653,112	$ –	$ –	$ 23,713,193	$ 8,174,725	$ –	$148,541,030	
Non-U.S. developed markets	19,288,023	–	9,352,669	33,291,896	21,154,152	–	83,086,740	
Emerging markets	1,691,815	–	35,896,630	4,592,402	16,660,181	–	58,841,028	
Total marketable equities	137,632,950	–	45,249,299	61,597,491	45,989,058	–	290,468,798	45%
Marketable alternatives:								
Multi-strategy	–	–	–	69,755,867	38,916,402	15,506,915	124,179,184	
Distressed debt	–	–	–	1,765,787	–	11,995,110	13,760,897	
Long/short equities	–	–	–	5,153,225	8,170,517	–	13,323,742	
Global equities	–	–	–	17,393,376	–	–	17,393,376	
Total marketable alternatives	–	–	–	94,068,255	47,086,919	27,502,025	168,657,199	26
Private equity and venture capital	–	–	–	–	–	79,352,801	79,352,801	12
Real assets:								
Real estate	3,479,673	–	–	–	–	3,186,970	6,666,643	
Timber	–	–	–	–	–	652,080	652,080	
Energy	–	–	–	–	–	8,537,037	8,537,037	
Mining	–	–	–	–	–	2,853,386	2,853,386	
Other	–	–	–	–	–	53,724	53,724	
Total real assets	3,479,673	–	–	–	–	15,283,197	18,762,870	3
Fixed income:								
U.S. Treasuries and Agency bonds	35,148,627	–	–	–	–	–	35,148,627	
U.S. TIPs	472,914	–	–	–	–	–	472,914	
Other	2,450,820	–	–	–	–	–	2,450,820	
Total fixed income	38,072,361	–	–	–	–	–	38,072,361	6
Cash and cash equivalents:								
Cash – FDIC insured	22,890,149	–	–	–	–	–	22,890,149	
Cash – Uninsured	6,000,000	–	–	–	–	–	6,000,000	
Money market funds	19,034,722	–	–	1,478,879	–	–	20,513,601	
Total cash and cash equivalents	47,924,871	–	–	1,478,879	–	–	49,403,750	8
Total investments	$227,109,855	$ –	$45,249,299	$157,144,625	$93,075,977	$122,138,023	$644,717,779	100%
Percentage of liquidity per category	35%	0%	7%	25%	14%	19%	100%	

3. Investments (Continued)

2019	Daily	Monthly	Semi-Monthly	Quarterly	1 to 5 Years	Illiquid	Total	Percentage
Marketable equities:								
U.S. equities	$ 77,294,995	$ –	$ –	$ 29,930,433	$ –	$ –	$107,225,428	
Non-U.S. developed markets	19,801,856	–	9,960,283	35,062,591	19,468,112	–	84,292,842	
Emerging markets	3,224,454	–	32,487,308	–	12,164,183	–	47,875,945	
Total marketable equities	100,321,305	–	42,447,591	64,993,024	31,632,295	–	239,394,215	42%
Marketable alternatives:								
Multi-strategy	–	–	–	71,808,852	37,354,052	11,049,497	120,212,401	
Distressed debt	–	–	–	12,522,923	–	6,487,699	19,010,622	
Long/short equities	–	–	–	4,733,073	5,386,597	–	10,119,670	
Global equities	–	–	–	11,910,629	–	–	11,910,629	
Total marketable alternatives	–	–	–	100,975,477	42,740,649	17,537,196	161,253,322	28
Private equity and venture capital	–	–	–	–	–	51,703,146	51,703,146	9
Real assets:								
Real estate	963,690	–	–	–	–	3,509,853	4,473,543	
Timber	36,937	–	–	–	–	583,223	620,160	
Energy	1,830,614	–	–	–	–	10,276,512	12,107,126	
Mining	487,270	–	–	–	–	2,120,906	2,608,176	
Commodities	1,729,422	–	–	–	–	–	1,729,422	
Other	103,810	–	–	–	–	85,058	188,868	
Total real assets	5,151,743	–	–	–	–	16,575,552	21,727,295	4
Fixed income:								
U.S. Treasuries and Agency bonds	33,729,884	–	–	–	–	–	33,729,884	
Certificates of deposit – FDIC insured	310,106	–	–	–	–	–	310,106	
Other	3,201,542	–	–	–	–	–	3,201,542	
Total fixed income	37,241,532	–	–	–	–	–	37,241,532	7
Cash and cash equivalents:								
Cash – FDIC insured	33,866,993	–	–	–	–	–	33,866,993	
Cash – Uninsured	3,000,000	–	–	–	–	–	3,000,000	
Money market funds	17,876,522	–	–	634,621	–	–	18,511,143	
Total cash and cash equivalents	54,743,515	–	–	634,621	–	–	55,378,136	10
Total investments	$197,458,095	$ –	$42,447,591	$166,603,122	$74,372,944	$ 85,815,894	$566,697,646	100%
Percentage of liquidity per category	35%	0%	7%	30%	13%	15%	100%	

3. Investments (Continued)

The illiquid investments noted above generally are investments which require a long-term investment commitment, are not publicly traded, and are intended to be held for the life of the investment fund or partnership. Accordingly, any attempt to sell these investments before the end of their investment period could result in the Foundation realizing less than fair value at the time of any early redemptions. The Foundation intends to hold the investments until maturity, which is expected to range from 2021 to 2032.

Commitments

Private equity, venture capital, real estate, natural resource and distressed opportunities investments are generally made through limited partnerships. Under the terms of these agreements, the Foundation is obligated to remit additional funding periodically as capital calls are exercised by the manager. As a result, the timing and amount of future capital calls expected to be exercised in any particular future year is uncertain. These partnerships have a limited existence, generally around ten years and such agreements may provide for annual extensions for the purpose of disposing of portfolio positions and returning capital to investors. However, depending on market conditions, the inability to execute the fund's strategy and other factors, a manager may extend the term of a fund beyond its originally anticipated existence or may wind down the fund prematurely. The Foundation cannot anticipate such changes because they are based on unforeseen events, but should they occur, they may result in less liquidity or lower return from the investment than originally anticipated.

Unfunded commitments at December 31 were as follows:

	2020 Number of Funds With Commitments	2020	2019
Private equity and venture capital	32	$27,440,349	$25,363,200
Real estate	6	426,211	430,233
Natural resources	9	1,652,000	2,622,000
Distressed opportunities	7	12,763,842	14,973,219
Other	1	330,000	2,150,000
Total unfunded commitments	55	$42,612,402	$45,538,652

These amounts are generally payable within ten days of the receipt of a capital call notice. The Foundation has no control as to when a request for funding will be received. It is currently anticipated that the Foundation will be required to fund these commitments within the next three years, but the specific timing is ultimately subject to the discretion of the fund managers.

Capital calls for the unfunded commitments are made from cash and marketable investments in U.S. equities. Capital calls for the unfunded commitments to real estate and natural resources are made from cash.

3. Investments (Continued)

Net Asset Value (NAV) per Share

Certain investments are measured at NAV and are redeemable with the funds or limited partnerships at NAV under the original terms of the subscription agreement and/or partnership agreements. The majority of such redemptions require 90 days or less written notice prior to the redemption period. The following table discloses the fair value and redemption frequency of those assets whose fair value is estimated using the net asset value per share at December 31, 2020:

Investment	Fair Value	Unfunded Commitment	Redemption Frequency	Redemption Notice Period
U.S. equities	$ 8,174,725	$ –	1 – 5 Years	60 days
Non U.S development markets				
Global Equity Funds	9,352,669	–	Monthly	30 days
Emerging markets				
Global Equity Funds	35,896,630	–	Monthly	30 days
Global Equity Funds	4,592,402	–	Monthly	90 days; 25% limit
Global Equity Funds	6,987,850	–	1 – 5 Years	60 days
Global Equity Funds	9,672,331	–	1 – 5 Years	95 days
Non-U.S. developed markets	10,960,055	–	Quarterly	30 days
Non-U.S. developed markets	20,928,679	–	1 – 5 Years[2]	90 days
Non-U.S. developed markets	225,473	–	1 – 5 Years	60 days
Private equity and venture capital	79,352,801	27,440,349	Illiquid	
Alternative investments:				
Marketable alternatives	9,449,086	–	1 – 5 Years	45 days
Marketable alternatives	13,000,833	–	1 – 5 Years	60 days
Marketable alternatives	16,466,483	–	1 – 5 Years	90 days
Marketable alternatives	8,170,517	330,000	1 – 5 Years	180 days
Marketable alternatives	36,809,777	–	Quarterly	60-65 days
Marketable alternatives	39,939,780	–	Quarterly	60 day notice; 25% limit
Marketable alternatives	17,318,698	–	Quarterly[1]	75 days
Marketable alternatives	27,502,025	12,763,842	Illiquid	
Real Asset Funds	15,283,197	2,078,211	Illiquid	
	$ 370,084,011	$42,612,402		

[1] After an initial one-year lockout period
[2] After an initial three-year lockout period

3. Investments (Continued)

Net Investment Return

The principal components of net investment return consist of the following at December 31:

	2020	2019
Interest and dividend income	$ 2,420,613	$ 3,886,631
Net realized and unrealized gains	101,477,130	74,354,655
External and direct internal investment expenses	(5,240,476)	(3,522,202)
Net investment return	$ 98,657,267	$74,719,084

The Foundation had an investment in two and five indexed products held in a common trust at a single institution as follows:

	Number of Products	Value	Percentage of Assets
December 31, 2020	2	$37,900,831	6%
December 31, 2019	5	36,044,931	7

4. Impact Investments

In 2018, the MaineCF Board of Directors voted to terminate the existing impact investing program and ultimately close the two existing impact investing portfolios after all loan repayments have been received. The last expected loan repayment is due December 31, 2024.

Impact investments were intended to generate targeted social benefit and have less than market return. As of December 31, 2020, five loans are maturing from 2021 through 2024 with an interest rate of 2%.

4. Impact Investments (Continued)

The Foundation had established two impact investment portfolios to focus on Farms, Fishing & Food and Downtown & Business Development. The capital in both portfolios came from Foundation donors who had expressed an interest to participate in those efforts and discretionary funds held by the Foundation. The amounts shown below include cash that will be returned to donor funds based on their end commitment date. The balances in the respective portfolios as of December 31, 2020 and 2019 are as follows:

	2020	2019
Farms, Fisheries & Food portfolio:		
Cash	$ 631,759	$ 574,838
Loans receivable	543,608	603,608
	1,175,367	1,178,446
Downtown & Business Development portfolio:		
Cash	234,887	253,079
Loans receivable	807,501	1,061,250
	1,042,388	1,314,329
	$2,217,755	$2,492,775

5. Property and Equipment

Property and equipment consists of the following at December 31:

	2020	2019
Building and building improvements	$2,044,994	$ 690,665
Land	71,000	71,000
Furniture and office equipment	254,368	184,343
Computer equipment	41,579	41,579
Vehicles	65,985	65,985
Art	9,410	9,410
Construction in progress	–	233,081
	2,487,336	1,296,063
Less accumulated depreciation	(647,460)	(580,451)
	$1,839,876	$ 715,612

6. Net Assets

In July 2006, The National Conference of Commissioners on Uniform State Laws approved the *Uniform Prudent Management of Institutional Funds Act* (UPMIFA). In 2009, the State of Maine passed a version of UPMIFA, effective on July 1, 2009. The Board of Directors of the Foundation has interpreted the Maine UPMIFA as requiring the preservation of the fair value of the endowed gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary.

The Board of Directors, on the advice of legal counsel, has determined that substantially all of the Foundation's contributions are received subject to the terms of the Governing Documents. Certain contributions are received subject to other gift instruments, or are subject to specific agreements with the Foundation. Under the terms of the gift instruments and the Governing Documents, the Board of Directors has Variance Power, as delineated in the Foundation's Articles of Incorporation, to:

> *Modify, consistent with State law, including seeking approval of the appropriate court or the Attorney General, where applicable, any restriction or condition on the distribution of funds for any specified organization if, in the sole judgment of the Board of Directors (without the necessity of the approval of any participating trustee, custodian, or agent), such restriction or condition becomes, in effect, unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community.*

Because this broad Variance Power gives the Foundation the legal authority to modify "any restriction or condition on the distribution of funds," institutional funds held by the Foundation are not "endowed funds" as a legal matter, even if the gift instrument specifies that distributions will be made according to a board-designated spending policy or from the fund's income. Accordingly, there are no donor-restricted endowment funds as of December 31, 2020 or 2019.

As of December 31, 2020, the Foundation holds approximately 2,034 funds with total assets of \$659 million. The gift instruments on 704 of the funds with total assets of about \$224 million include language that refers to "income only spending," "the Foundation's board-designated spending policy" or other language that implies the preservation of principal. In virtually all cases, the Foundation has honored the donor's intention to preserve the principal of these funds that, absent the Variance Power held by the Foundation's Board of Directors, would be treated as donor-restricted endowment funds. As a result, the Foundation considers these 704 funds to be Board-Designated Endowment Funds. The Foundation has established unique funds to account for the Historic Gift Value and other activity related to the assets contributed to these Board-Designated Endowment Funds since the inception of each fund.

6. Net Assets (Continued)

Board-Designated Endowment Funds

Board-Designated Endowment Funds are included in net assets without donor restrictions in the consolidated statements of financial position. The following table summarizes the activity in Board-Designated Endowment Funds:

	2020	2019
Number of funds	704	684
Balance at January 1	$ 194,144,906	$ 172,658,820
Adjustments resulting from donor requested changes	(29,225)	465,181
Adjusted balance at January 1	194,115,681	173,124,001
Contributions and bequests realized	9,591,646	4,861,135
Interest and dividend income	894,517	1,341,814
Net realized and unrealized gains on investments	28,454,331	23,220,559
Grants and other expenditures	(7,344,546)	(6,363,689)
Administrative fees	(2,089,734)	(2,038,914)
Balance at December 31	$ 223,621,895	$ 194,144,906

As of December 31, 2020, there are 3 individual Board-Designated Endowment Funds that are below their Historic Gift Value. The aggregate amount below the Historic Gift Value is approximately $115,000 on a total Historic Gift Value in excess of $771,000. As of December 31, 2019, there were 6 individual Board-Designated Endowment Funds that were below their Historic Gift Value. The aggregate amount below the Historic Gift Value is approximately $219,000 on a total Historic Gift Value in excess of $1.4 million.

In addition to language that implies the preservation of capital, the Variance Power language above states that the Board of Directors can modify any restriction or condition included in a gift instrument. Accordingly, as a legal matter, the Foundation does not hold any assets with a purpose restriction. Similar to the funds with implied preservation of capital language in a gift instrument, the Foundation has followed the intended purpose provided in virtually all gift instruments.

6. Net Assets (Continued)

The following is a summary of all net assets broken down between Board-Designated Endowment Funds as defined above, all other funds that do not imply endowment spending restrictions, and the broad purposes segregated by major fund type:

	Board-Designated Endowment Funds	Funds with No Implied Endowment Restrictions	With Donor Restrictions	Total
2020				
Designated funds	$ 79,555,774	$ 30,118,931	$ –	$ 109,674,705
Donor-advised funds	17,429,636	234,872,376	–	252,302,012
Field of interest funds	81,000,478	11,370,368	–	92,370,846
Scholarship funds	40,179,021	20,144,921	–	60,323,942
Supporting organizations	–	11,015,871	–	11,015,871
Discretionary funds	2,930,481	10,090,118	–	13,020,599
Operations	2,526,505	6,681,142	–	9,207,647
Other funds	–	3,101,311	–	3,101,311
Trusts and life insurance receivables	–	–	5,043,949	5,043,949
Total	$ 223,621,895	$ 327,395,038	$ 5,043,949	$ 556,060,882
2019				
Designated funds	$ 64,172,349	$ 23,024,628	$ –	$ 87,196,977
Donor-advised funds	15,312,388	206,017,567	–	221,329,955
Field of interest funds	73,413,455	9,601,507	–	83,014,962
Scholarship funds	36,300,834	13,487,047	–	49,787,881
Supporting organizations	–	9,157,386	–	9,157,386
Discretionary funds	2,679,096	9,340,416	–	12,019,512
Operations	2,266,784	5,202,325	–	7,469,109
Other funds	–	3,881,127	–	3,881,127
Bequests receivable	–	–	917,834	917,834
Trusts and life insurance receivables	–	–	4,410,628	4,410,628
Total	$ 194,144,906	$ 279,712,003	$ 5,328,462	$ 479,185,371

6. Net Assets (Continued)

Net Asset Fund Types

The Foundation maintains the following types of funds within its net assets:

Designated Funds are established by a donor(s) to support the work of a specific nonprofit organization(s). Gifts provide the selected organization with funding and the benefit of the Foundation's investment oversight. If the selected nonprofit organization ceases to exist, the Foundation's Board of Directors will identify another nonprofit whose purpose most closely resembles the original charitable intent of the donor.

Discretionary Funds are established to provide broad charitable support for community well-being in a wide variety of areas of interest. They provide the most flexibility in meeting the changing needs of our communities by allowing the Foundation to direct grants or other financial support where they will have the greatest impact. MaineCF Board has full discretion regarding distribution of funds, including grants. In addition the Board sets parameters regarding purpose, selection criteria, and process.

Donor-Advised Funds are an economical, flexible vehicle for individual and family philanthropy. An attractive alternative to private foundations, advised funds enable donors to recommend grants to qualified nonprofit organizations in their areas of interest, in Maine or anywhere in the country. Donor advisors can consult with MaineCF staff about their grantmaking.

Supporting Organizations are an alternative to Donor-Advised funds or private foundations established to support public charity of the charitable activities of a 501(c)(4), (5), or (6) organization(s). MaineCF audited financial statements include all affiliated Supporting Organizations. The Foundation currently controls three Type 1 Supporting organizations.

Field-of-Interest Funds connect charitable investments with a specific area of interest or concern, such as a geographic location, higher education, the environment, arts, health and community well-being. The donor identifies interests, and the Foundation awards grants to community organizations and programs that are making a difference in those fields. Included in field of interest funds are Community Building, County, and Regional Funds which address a broad spectrum of issues and needs in Maine. Gifts provide flexibility for the Foundation to respond to future challenges and opportunities.

Scholarship Funds are established to award scholarships that help students achieve their educational aspirations. They provide access to educational opportunities for a wide variety of students. A scholarship fund may benefit a particular community, a particular educational institution, or a particular field of study.

7. Retirement Plans

On January 1, 2008, the Foundation established a 401(k) plan which covers all employees. New employees are eligible to participate in the plan starting with the first pay period of the month following employment. No minimum hours of service are required. The Foundation's contribution to the 401(k) plan in 2020 and 2019 was 6% of each employee's eligible compensation. Effective January 1, 2013, the Foundation offered a 50% match to employee contributions up to 6%. The total Foundation contributions in 2020 and 2019 were $294,924 and $279,887, respectively. Employees may elect to contribute a percentage of their compensation up to the maximum amount allowed by the Internal Revenue Code.

In 2011, the Foundation adopted a deferred compensation plan. The purpose of this plan is to provide supplemental retirement income and to assist in retention of key employees by offering benefits comparable with similar organizations. Annual contributions to the plan are approved each year by the Board of Directors. The cost is expensed in the year in which the contributions are approved. Although the plan was approved in 2011, it was not established until 2012, at which time a new feature was added to the existing 401(k) plan. Total compensation, including deferred compensation, is evaluated and approved annually by the Board. There was no deferred compensation in 2020 and 2019.

8. Concentration of Credit Risk

The Foundation maintains cash and cash equivalents with several broker-dealers. Accounts at each broker-dealer are insured by the SIPC up to $500,000. At December 31, 2020, approximately $4.5 million of the Foundation's cash and cash equivalent balances were held in uninsured money market funds at an A- (Standard & Poor's) credit rated financial institution.

9. Grants Payable

Expected grant payable payments as of December 31, 2020 are as follows:

2021	$3,685,000
2022	185,000
2023	10,000
2024	10,000
2025	10,000
	$3,900,000

10. Functional Expense

The Foundation provides support to charitable and educational programs across Maine communities.

10. Functional Expense (Continued)

Expenses related to providing these services are as follows for the years ended December 31:

	Program Services	Management and General	Fundraising and Development	Total
2020				
Grants	$43,194,464	$ –	$ –	$43,194,464
Salaries and wages	1,215,365	1,017,940	785,372	3,018,677
Employees benefits	327,249	274,090	211,469	812,808
Professional services	292,156	145,723	36,562	474,441
Payroll taxes	96,892	81,153	62,612	240,657
Occupancy	82,966	73,751	53,685	210,402
Information technology	68,371	57,265	44,181	169,817
Meetings	6,170	11,572	4,125	21,867
Communications and marketing	13,684	9,434	90,525	113,643
Office expenses	28,465	42,263	35,533	106,261
Travel	7,879	7,413	7,253	22,545
Insurance	22,662	18,981	14,644	56,287
Depreciation	–	67,009	–	67,009
Training and development	4,677	10,128	6,926	21,731
Other	2,267	10,763	1,465	14,495
Total	$45,363,267	$1,827,485	$1,354,352	$48,545,104
	93.0%	4.0%	3.0%	100.0%
2019				
Grants	$36,035,841	$ –	$ –	$36,035,841
Salaries and wages	1,149,661	941,662	741,844	2,833,167
Employees benefits	299,177	245,049	193,050	737,276
Professional services	324,174	158,863	33,055	516,092
Payroll taxes	93,365	76,473	60,246	230,084
Occupancy	78,459	65,596	50,106	194,161
Information technology	64,724	53,014	41,764	159,502
Meetings	45,391	40,076	58,322	143,789
Communications and marketing	8,089	8,089	113,179	129,357
Office expenses	26,232	37,869	38,008	102,109
Travel	42,333	30,803	22,018	95,154
Insurance	22,223	18,202	14,340	54,765
Depreciation	–	46,771	–	46,771
Training and development	5,994	8,945	3,578	18,517
Other	1,206	5,424	778	7,408
Total	$38,196,869	$1,736,836	$1,370,288	$41,303,993
	93.0%	4.0%	3.0%	100.0%

11. Liquidity and Availability

Financial assets available for general expenditure within one year of the statement of financial position date consist of the following at December 31, 2020:

	Cash and Cash Equivalents	Investments	Total
Discretionary funds	$ 319,682	$11,871,541	$12,191,223
Reserve funds	3,066,625	4,214,741	7,281,366
Operating funds	77,996	–	77,996
Total	$3,464,303	$16,086,282	$19,550,585

The Foundation has certain board-discretionary and other assets whose use is limited which are available for general expenditure within one year in the normal course of operations. The Foundation has other investments and assets whose use is limited for donor and board-restricted purposes. These investments and assets whose use is limited are not reflected in the amounts above.

12. Contribution and Grant Concentration

For the year ended December 31, 2020, 12% of contribution revenues and 12% of grant expenses were made to/from one source. For the year ended December 31, 2019, 25% of grant expenses were made to one grantee.