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Association of Computer  
Technology Educators of

*Maine*



**Financial Report**

**June 30, 2022**

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**Independent Accountants' Review Report**

Board of Directors  
Association of Computer Technology Educators of Maine  
Gorham, Maine

We have reviewed the accompanying financial statements of Association of Computer Technology Educators of Maine, which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

**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.

**Accountants' Responsibility**

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants (AICPA). Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Association of Computer Technology Educators of Maine and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

**Accountants' Conclusion**

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

*PGM, LLC*  
Biddeford, Maine  
January 6, 2023

## Statement of Financial Position

June 30, 2022

	Without donor restrictions
<b>ASSETS</b>	
Cash and cash equivalents	\$ 87,552
Accounts Receivable	62,859
Maine Community Foundation Investments	279,813
Prepaid expenses	744
Other	<u>500</u>
<b>Total Assets</b>	<b><u>\$ 431,468</u></b>
<b>LIABILITIES AND NET ASSETS</b>	
<b>Liabilities</b>	
Accounts payable	23,955
Deferred revenue	<u>28,398</u>
<b>Total Liabilities</b>	<b><u>52,353</u></b>
<b>Net Assets</b>	
Without donor restrictions	<u>379,115</u>
<b>Total Net Assets</b>	<b><u>379,115</u></b>
<b>Total Liabilities and Net Assets</b>	<b><u>\$ 431,468</u></b>

See independent accountants' review report.

## Statement of Activities

Year Ended June 30, 2022

	Without donor restrictions
<b>Operating Revenues:</b>	
Membership dues	\$ 16,620
Conference income	47,460
Other income	25,928
<b>Total Operating Revenues</b>	<u>90,008</u>
<b>Equipment Sales</b>	
Sales	1,126,820
Less cost of sales	1,003,793
<b>Net equipment sales</b>	<u>123,027</u>
<b>Operating Expenses:</b>	
Program services	187,482
Management and general	49,823
<b>Total Expenses</b>	<u>237,305</u>
<b>Change in Net Assets from Operations</b>	<u>(24,270)</u>
<b>Non-Operating Activities:</b>	
Investment Loss	<u>(27,320)</u>
<b>Total Non-Operating Activities</b>	<u>(27,320)</u>
<b>Change in Net Assets</b>	(51,590)
<b>Net Assets, Beginning of Year, Restated</b>	<u>430,705</u>
<b>Net Assets, End of Year</b>	<u><u>\$ 379,115</u></u>

See independent accountants' review report.

## Statement of Functional Expenses

Year Ended June 30, 2022

	Program Services	Management and General	Total Expenses
Expenses:			
Salaries and benefits	\$ 61,750	\$ 30,875	\$ 92,625
Payroll taxes	4,697	2,348	7,045
Payroll and bank fees	2,835	1,417	4,252
Awards	5,884		5,884
Sponsorships	989		989
Contracted Services	33,348		33,348
Utilities	6,672	3,336	10,008
Miscellaneous	783	392	1,175
Postage and printing	483	242	725
Supplies	10,795	5,398	16,193
Dues & subscriptions	3,263	1,631	4,894
Insurance & tax	2,256	1,128	3,384
Professional fees	5,501	2,751	8,252
Meeting and Travel	611	305	916
Conferences	47,615		47,615
	<u>\$ 187,482</u>	<u>\$ 49,823</u>	<u>\$ 237,305</u>

See independent accountants' review report.

## Statement of Cash Flows

Years Ended June 30, 2022

<b>Cash flows from operating activities:</b>	
Change in net assets	<u>\$ (51,590)</u>
Adjustments to reconcile change in net assets to net cash flows from operating activities:	
Investment losses	27,320
(Increase) decrease in:	
Prepaid insurance	2,364
Accounts receivable	(8,750)
Increase (decrease) in:	
Accounts payable	(22,671)
Deferred revenue	<u>13,455</u>
Total adjustments	<u>11,718</u>
<b>Net cash flows from operating activities</b>	<u>(39,872)</u>
<b>Net change in cash and cash equivalents</b>	(39,872)
<b>Cash and cash equivalents at beginning of year</b>	<u>127,424</u>
<b>Cash and cash equivalents at end of year</b>	<u><u>\$ 87,552</u></u>

See independent accountants' review report.

## Notes to Financial Statements

June 30, 2022

### NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Organization

The Association of Computer Technology Educators of Maine (the Association) was started in the 1990s as an independent, dynamic, professional organization which strives to influence quality teaching and learning through the effective use of technology. The Association supports its members by providing relevant professional development opportunities and resources, by aiding schools with educational technology initiatives, and by functioning as a purchasing consortium. The Association empowers its members to leverage new and existing technology innovations to meet educational goals. The Association advocates for its members as a proactive voice in State and National discussions on education technology policy and initiatives.

#### Basis of Presentation

The Association's net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Association, 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 and can be used for any purpose designated by the board.

##### Net Assets With Donor Restrictions

Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those will be met by actions of the Association or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

As of June 30, 2022, there were no net assets with donor restrictions.

#### Cash and Cash Equivalents

Investments with a maturity of three months or less when purchased are considered to be cash equivalents for financial statement purposes. Cash and cash equivalents included in investment accounts are considered investments for financial statement purposes.

#### Concentration of Credit Risk

Financial instruments which potentially subject the Association to concentration of credit risk consist principally of marketable investments.

See independent accountants' review report.



## **Notes to Financial Statements**

**June 30, 2022**

### **NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

#### **Investments**

Investments are recorded at fair value in the statements of financial position. Unrealized gains and losses are included in the statements of activities. Investment income and gains restricted by donors are reported as increases in net assets without donor restrictions if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

#### **Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain amounts and disclosures. Accordingly, actual results could differ from those estimates.

#### **Income Taxes**

The Association is organized and operated exclusively for charitable and educational purposes. Income related to its charitable purpose is exempt from federal and state income taxes under the provisions of Section 501(c) (3) of the Internal Revenue Code. Any unrelated business income is taxable according to applicable Internal Revenue Code sections. The Association is subject to federal and state examinations by taxing authorities for the years ended 2019 through 2022.

#### **Functional Allocation of Expenses**

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

#### **Grant and Contract Revenue Recognition**

Revenues are recognized as earned or attributable to the period in which specific terms of the funding agreement are satisfied and to the extent that expenses have been incurred for the purposes specified by the funding source. Dues and event fees received in advance are deferred to the applicable period.

#### **Contributions**

Contributions are recognized when cash, securities or other assets, an unconditional pledge receivable, or notification of a beneficial interest is received. Conditional pledges receivable are not recognized until the conditions on which they depend have been substantially met.

See independent accountants' review report.

## Notes to Financial Statements

June 30, 2022

### NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

#### 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.

### NOTE 2 – LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

Cash and cash equivalents	\$ 87,552
Maine Community Foundation Investments	279,813
Accounts receivable	<u>62,859</u>
	<u>\$ 430,224</u>

The Association has a Line of Credit available balance of \$100,000 if needed.

### NOTE 3 – FAIR VALUE OF INVESTMENTS

#### Fair Value Measurements

The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. The type of investments included in Level 1 includes listed equities and listed derivatives.

Level 2 – Inputs other than quoted prices within Level 1 that are observable for the asset or liability, either directly or indirectly; and fair value is determined through the use of models or other valuation methodologies. Investments which are generally included in this category include corporate bonds and loans, less liquid and restricted equity securities and certain over-the-counter derivatives.

See independent accountants' review report.

## Notes to Financial Statements

June 30, 2022

### NOTE 3 – FAIR VALUE OF INVESTMENTS - Continued

Level 3 – Inputs are unobservable for the asset or liability and include situations where there is little, if any, market activity for the asset or liability. The inputs into the determination of fair value are based upon the best information in the circumstances and may require significant management judgment or estimation. Investments that are included in this category generally include equity and debt positions in private companies.

In determining the appropriate levels, the Association performs a detailed analysis of the assets and liabilities that are subject to fair value. At each reporting period, all assets and liabilities for which the fair value measurement is based on significant unobservable inputs are classified as Level 3.

For the years ended June 30, 2022, the application of valuation techniques applied to similar assets and liabilities has been consistent. The following is a description of the valuation methodologies used for instruments measured at fair value:

#### *Interest in pooled investments*

The fair value of the interest in pooled investments is the market value based on quoted market prices, when available, or market prices of the investment securities as provided by the Maine Community Foundation.

Fair values measured on a recurring basis, at June 30, 2022 are as follows:

	Fair Value	Fair Value Measurements At Report Date Using		
		Level 1	Level 2	Level 3
Investments				
Maine Community Foundation	\$ 279,813			\$ 279,813
	<u>\$ 279,813</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 279,813</u>

### NOTE 4 – INVESTMENTS

Changes in investments for the year ended June 30, 2022:

	Without Donor Restriction
Beginning of year	\$ 307,133
Investment fees	(5,513)
Interest and dividends	832
Investment losses	<u>(22,639)</u>
End of year	<u>\$ 279,813</u>

See independent accountants' review report.

## Notes to Financial Statements

June 30, 2022

### NOTE 5 – DEFERRED REVENUE

Deferred revenue consists primarily of revenue received for future events. These amounts are normally utilized within the next fiscal year and therefore classified as a current liability. Deferred revenue as of June 30, 2022 is as follows:

Deferred revenue, beginning of year	\$ 12,643
Revenue recognized from prior year	(12,643)
Increase due to payments received for future events	<u>28,398</u>
Deferred revenue, end of year	<u>\$ 28,398</u>

### NOTE 6– LINE OF CREDIT

The Association has a \$100,000 line of credit agreement with a local bank. Borrowings under the line bear an interest rate at Wall Street Journal Prime variable plus 2.13%. The line of credit matures July 30, 2023. There were no outstanding balance on this line of credit as of June 30, 2022.

### NOTE 7 – PENSION PLAN

The Association has a SIMPLE retirement plan for the executive director. Employees may make pre-tax contributions to the extent permissible by law. Currently the Association matches employee contributions up to 3%. Pension expense was \$2,898 for the year ended June 30, 2022.

### NOTE 8 – PRIOR PERIOD ADJUSTMENT

Net Assets without donor restrictions were increased at June 30, 2021 by \$ 45,692 and inventory was increased. There was an issue with the inventory system and the credit balance was adjusted to -0-. The Association is no longer using an inventory system.

### NOTE 9 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through January 6, 2023, 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.

See independent accountants' review report.