

**UNITED WAY OF
MID COAST MAINE, INC.**

FINANCIAL REPORT

June 30, 2025 and 2024

**UNITED WAY OF
MID COAST MAINE, INC.**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
United Way of Mid Coast Maine, Inc.
Bath, Maine

Opinion

We have audited the accompanying financial statements of United Way of Mid Coast Maine, Inc. (a Maine nonprofit corporation), which comprise the statements of financial position as of June 30, 2025 and 2024, 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 United Way of Mid Coast Maine, Inc. as of June 30, 2025 and 2024, 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 audits in accordance with auditing standards generally accepted in the United States of America. 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 United Way of Mid Coast Maine, 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 United Way of Mid Coast Maine, 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.

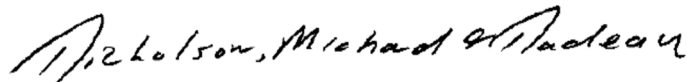
In performing an audit in accordance with generally accepted auditing standards, we:

- 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 United Way of Mid Coast Maine, 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 United Way of Mid Coast Maine, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of partner agency funding on pages 21 and 22 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



Waterville, Maine
January 12, 2026

UNITED WAY OF MID COAST MAINE, INC.

STATEMENTS OF FINANCIAL POSITION

June 30,

ASSETS

	2025	2024
Current Assets		
Cash	\$ 664,936	\$ 388,747
Promises to give, net	380,874	490,757
Accounts receivable	11,149	8,993
Security deposit	4,838	4,838
Total Current Assets	<u>1,061,797</u>	<u>893,335</u>
Property, Plant and Equipment		
Equipment and fixtures	39,956	85,756
Leasehold improvements	5,419	5,419
Software	499	57,236
Total property, plant and equipment	<u>45,874</u>	<u>148,411</u>
Less: Accumulated depreciation	<u>(44,798)</u>	<u>(146,166)</u>
Net Property, Plant and Equipment	<u>1,076</u>	<u>2,245</u>
Right-of-use assets - operating leases	<u>98,037</u>	<u>127,863</u>
Other Assets		
Cash - restricted	158,733	239,609
Interest in assets held by the Maine Community Foundation	495,788	470,413
Investments - board designated	455,609	681,526
Investments - restricted	234,113	232,721
Total Other Assets	<u>1,344,243</u>	<u>1,624,269</u>
Total Assets	<u>\$ 2,505,153</u>	<u>\$ 2,647,712</u>

See independent auditor's report.

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

UNITED WAY OF MID COAST MAINE, INC.

STATEMENTS OF FINANCIAL POSITION

June 30,

LIABILITIES and NET ASSETS

	2025	2024
Current Liabilities		
Accounts payable - trade	\$ 7,407	\$ 8,282
Refundable advances	132,078	160,903
Partner agency allocations payable	220,000	382,398
Designations payable	64,380	86,852
Accrued vacation and payroll	29,668	28,592
Current portion of operating lease obligations	29,504	29,826
Total Current Liabilities	483,037	696,853
Long-Term Liabilities		
Long-term operating lease obligations, excluding current portion	68,533	98,037
Net Assets		
Without donor restrictions	1,332,906	1,070,211
With donor restrictions	620,677	782,611
Total Net Assets	1,953,583	1,852,822
Total Liabilities and Net Assets	\$ 2,505,153	\$ 2,647,712

See independent auditor's report.

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

UNITED WAY OF MID COAST MAINE, INC.

STATEMENT OF ACTIVITIES

Year Ended June 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains, and Other Support			
Campaign:			
Gross campaign results	\$ 417,434	\$ 689,488	\$ 1,106,922
Less donor designations	(71,524)	-	(71,524)
Less provision for uncollectible promises to give	(73,350)	(73,350)	(146,700)
Net campaign results	<u>272,560</u>	<u>616,138</u>	<u>888,698</u>
Other gains and support:			
Interest income	18,572	-	18,572
Net investment return	57,666	-	57,666
Increase in interest in assets held by the Maine Community Foundation	43,465	-	43,465
Non-campaign contributions and grants	399,068	49,791	448,859
Designations from other United Ways	272,053	-	272,053
Service fees	12,619	-	12,619
Net assets released from restrictions	827,863	(827,863)	-
Total other gains and support	<u>1,631,306</u>	<u>(778,072)</u>	<u>853,234</u>
Total Revenues, Gains, and Other Support	<u>1,903,866</u>	<u>(161,934)</u>	<u>1,741,932</u>
Distributions and Functional Expenses			
Gross funds awarded/distributed	707,647	-	707,647
Less donor designations	(71,524)	-	(71,524)
Net funds awarded/distributed	<u>636,123</u>	-	<u>636,123</u>
Program (agency and community service)	468,153	-	468,153
Management and general	135,802	-	135,802
Fundraising	382,458	-	382,458
United Way Worldwide dues	18,635	-	18,635
Total Distributions and Functional Expenses	<u>1,641,171</u>	-	<u>1,641,171</u>
Total Changes in Net Assets	<u>262,695</u>	<u>(161,934)</u>	<u>100,761</u>
Net Assets at Beginning of Year	<u>1,070,211</u>	<u>782,611</u>	<u>1,852,822</u>
Net Assets at End of Year	<u>\$ 1,332,906</u>	<u>\$ 620,677</u>	<u>\$ 1,953,583</u>

See independent auditor's report.

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

UNITED WAY OF MID COAST MAINE, INC.

STATEMENT OF ACTIVITIES

Year Ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains, and Other Support			
Campaign:			
Gross campaign results	\$ 427,488	\$ 729,276	\$ 1,156,764
Less donor designations	(88,554)	-	(88,554)
Less provision for uncollectible promises to give	(89,185)	(89,184)	(178,369)
Net campaign results	<u>249,749</u>	<u>640,092</u>	<u>889,841</u>
Other gains and support:			
Interest income	27,660	-	27,660
Net investment return	36,745	-	36,745
Increase in interest in assets held by the Maine Community Foundation	41,463	-	41,463
Non-campaign contributions and grants	62,576	59,533	122,109
Designations from other United Ways	301,788	-	301,788
Service fees	20,947	-	20,947
Net assets released from restrictions	778,841	(778,841)	-
Total other gains and support	<u>1,270,020</u>	<u>(719,308)</u>	<u>550,712</u>
Total Revenues, Gains, and Other Support	<u>1,519,769</u>	<u>(79,216)</u>	<u>1,440,553</u>
Distributions and Functional Expenses			
Gross funds awarded/distributed	935,318	-	935,318
Less donor designations	(88,554)	-	(88,554)
Net funds awarded/distributed	<u>846,764</u>	<u>-</u>	<u>846,764</u>
Program (agency and community service)	505,826	-	505,826
Management and general	115,817	-	115,817
Fundraising	201,293	-	201,293
United Way Worldwide dues	17,221	-	17,221
Total Distributions and Functional Expenses	<u>1,686,921</u>	<u>-</u>	<u>1,686,921</u>
Total Changes in Net Assets	<u>(167,152)</u>	<u>(79,216)</u>	<u>(246,368)</u>
Net Assets at Beginning of Year - Restated	<u>1,237,363</u>	<u>861,827</u>	<u>2,099,190</u>
Net Assets at End of Year	<u>\$ 1,070,211</u>	<u>\$ 782,611</u>	<u>\$ 1,852,822</u>

See independent auditor's report.

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

UNITED WAY OF MID COAST MAINE, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

Year Ended June 30, 2025

	Agency and Community Service	Management and General	Fund Raising	Total
Salaries	\$ 263,028	\$ 84,505	\$ 186,968	\$ 534,501
Professional fees	67,988	13,421	68,213	149,622
Employee benefits	67,626	21,727	48,071	137,424
Payroll taxes	19,610	6,300	13,940	39,850
Occupancy	15,050	2,971	15,100	33,121
Conferences and meetings	9,218	1,819	9,247	20,284
Marketing	8,873	1,751	8,902	19,526
Contracted Services	-	-	11,432	11,432
Travel	3,803	751	3,815	8,369
Office expense	3,162	624	3,173	6,959
Insurance	2,444	482	2,452	5,378
Campaign materials	-	-	3,773	3,773
Telephone	1,691	334	1,696	3,721
Maintenance - equipment	1,626	321	1,632	3,579
Miscellaneous	1,440	284	1,442	3,166
Dues	1,058	209	1,062	2,329
Postage and shipping	859	169	861	1,889
Depreciation	531	105	533	1,169
Publications and software	146	29	146	321
	<u>\$ 468,153</u>	<u>\$ 135,802</u>	<u>\$ 382,458</u>	<u>\$ 986,413</u>

See independent auditor's report.

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

UNITED WAY OF MID COAST MAINE, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

Year Ended June 30, 2024

	Agency and Community Service	Management and General	Fund Raising	Total
Salaries	\$ 299,727	\$ 77,858	\$ 98,322	\$ 475,907
Employee benefits	54,594	14,181	17,909	86,684
Professional fees	43,841	6,086	19,475	69,402
Marketing	32,596	4,525	14,479	51,600
Occupancy	23,101	3,207	10,261	36,569
Payroll taxes	22,690	5,894	7,443	36,027
Contracted Services	-	-	17,841	17,841
Insurance	7,462	1,036	3,315	11,813
Office expense	4,997	694	2,220	7,911
Travel	3,130	434	1,390	4,954
Maintenance - equipment	2,312	321	1,027	3,660
Telephone	2,222	309	987	3,518
Conferences and meetings	2,183	303	970	3,456
Miscellaneous	1,980	275	878	3,133
Campaign materials	-	-	2,559	2,559
Postage and shipping	1,615	224	717	2,556
Depreciation	1,235	172	549	1,956
Dues	1,085	151	482	1,718
Publications and software	1,056	147	469	1,672
	<u>\$ 505,826</u>	<u>\$ 115,817</u>	<u>\$ 201,293</u>	<u>\$ 822,936</u>

See independent auditor's report.

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

UNITED WAY OF MID COAST MAINE, INC.

STATEMENTS OF CASH FLOWS

Years Ended June 30, 2025

	2025	2024
Cash flows from operating activities:		
Changes in net assets	\$ 100,761	\$ (246,368)
Adjustments to reconcile changes in net assets to net cash flows from operating activities:		
Depreciation	1,169	1,956
Provision for uncollectible promises to give	146,700	178,369
Net investment return	(57,666)	(36,745)
Change in assets held by the Maine Community Foundation	(43,465)	(41,463)
(Increase) decrease in operating assets:		
Promises to give	(36,817)	(119,235)
Prepaid expenses	-	3,907
Accounts receivable	(2,156)	(8,993)
Increase (decrease) in operating liabilities:		
Partner agency allocations and designations payable	(184,870)	(20,996)
Accounts payable	(875)	(4,975)
Accrued vacation and payroll	1,076	14,596
Refundable advances	(28,825)	160,903
Net cash flows from operating activities	(104,968)	(119,044)
Cash flows from investing activities:		
Proceeds from investments	282,191	57,944
Distribution from Maine Community Foundation	18,090	17,360
Net cash flows from investing activities	300,281	75,304
Net change in cash	195,313	(43,740)
Cash at beginning of year	628,356	672,096
Cash at end of year	\$ 823,669	\$ 628,356
Presentation of cash on statements of financial position:		
Cash	\$ 664,936	\$ 388,747
Cash - restricted	158,733	239,609
Total Cash	\$ 823,669	\$ 628,356

See independent auditor's report.
The accompanying notes are an integral part of these financial statements.

United Way of Mid Coast Maine, Inc.

NOTES to FINANCIAL STATEMENTS

June 30, 2025 and 2024

NOTE 1 – PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES

Nature of the Organization

United Way of Mid Coast Maine, Inc. (United Way), a Maine nonprofit corporation, was established in 1956 and its mission is to improve lives by mobilizing the caring power of communities. The governance and leadership of the Organization’s affairs reside in a volunteer board of directors.

United Way works to improve lives in the priority areas of education, to help people reach their potential; financial stability, to help people meet their basic needs with dignity and move towards greater economic security; and good health, to help people experience safety and wellness in their community. United Way engages and mobilizes people and partners in the Mid Coast area to give, advocate, and volunteer.

United Way solicits and receives contributions for its initiative work to achieve the greatest possible community impact, and for partner agency programs that are effective in changing people’s lives in education, financial stability, and health.

Cash and Cash Equivalents

United Way considers all cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents.

Restricted cash as presented in the statements of financial position is summarized as follows as of June 30:

	<u>2025</u>	<u>2024</u>
Donor restricted contributions	\$ 26,655	\$ 78,706
Refundable advances - conditional contributions	<u>132,078</u>	<u>160,903</u>
	<u>\$ 158,733</u>	<u>\$ 239,609</u>

Promises to Give

United Way serves and conducts its annual campaign in the Mid Coast Maine region which includes Lincoln, Knox and Sagadahoc Counties and the communities of Brunswick and Harpswell.

United Way records unconditional promises to give that are expected to be collected within one year at net realizable value. All promises to give are due in one year therefore no promises to give have been discounted to the present value of their estimated future cash flows. United Way determines the allowance for uncollectible promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectible.

Property, Plant and Equipment

Property, plant and equipment acquisitions in excess of \$1,000 are recorded at cost, or if donated, at fair value on the date of donation. Depreciation expense is computed on the straight-line basis over the estimated useful lives of the assets, ranging from 5 to 20 years, or in the case of capitalized lease assets or leasehold improvements, the lesser of the useful life of the asset or the lease term. When assets are sold or otherwise disposed of, the cost and related depreciation are removed from the accounts, and any resulting gain or loss is included in the statements of activities. Costs of repairs and maintenance that do not improve or extend the useful lives of the respective assets are expensed currently.

United Way of Mid Coast Maine, Inc.

NOTES to FINANCIAL STATEMENTS

June 30, 2025 and 2024

Leases

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-02, "Leases (Topic 842)". The ASU and subsequent amendments require lessees to recognize assets and liabilities on the statement of financial position for all in-scope leases with a term of greater than twelve months and require disclosure of certain quantitative and qualitative information pertaining to an entity's leasing arrangements. This replaces the existing lease accounting guidance in accordance with GAAP that required only capital leases to be recognized on a lessee's statement of financial position. The new guidance was adopted by United Way as of July 1, 2022. United Way elected the transition relief package of practical expedients by applying previous accounting conclusions under Accounting Standard Codification (ASC) Topic 840, Leases (ASC 840), to all leases that existed prior to the transition date. As a result, United Way did not reassess (i) whether existing or expired contracts contain leases, (ii) lease classification for any existing or expired leases, or (iii) whether lease origination costs qualified as initial direct costs.

United Way did not elect the hindsight practical expedient, which permits the use of hindsight when determining lease term and impairment of right-of-use assets.

ASC Topic 842 similarly includes various other practical expedients that can be elected for new leases that are executed after the adoption of the new requirements. United Way elected the practical expedient to not separate lease and non-lease components. United Way also elected to apply the short-term lease recognition exemption which eliminates the requirement to present on the consolidated balance sheets leases with a term of twelve months or less. These two practical expedients were elected for all classes of underlying assets.

Refer to Note 10 for additional information related to United Way's accounting for leases.

Interest in Assets Held by the Maine Community Foundation

United Way is an income beneficiary of assets held by the Maine Community Foundation (MCF) as a result of making nonreciprocal transfers of assets to MCF and specifying itself as the beneficiary. United Way receives distributions from these assets each year. MCF has variance power over these assets. Therefore, the Board of Trustees of MCF (Board) has the power to modify, consistent with State law including seeking the approval of the appropriate court or Attorney General, any restriction or condition on the distribution of funds to United Way if, in the sole judgement of the Board (without the necessity of the approval or 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.

United Way accounts for its rights to the assets held by MCF in accordance with applicable standards. Under the standards, United Way recognizes its irrevocable rights to the cash flows as an asset and as contribution revenue. Contributions are recognized at fair value and classified as an increase in unrestricted net assets. On an annual basis, United Way must remeasure its interest in the assets held by MCF using the same valuation technique that was used to initially measure that interest, classifying the change as either a gain or loss in unrestricted net assets.

Investments

United Way records investment purchases at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statements of financial position. Net investment return/(loss) is reported in the statements of activities and consists of interest and dividend income, realized and unrealized gains and losses, less investment expenses.

Partner Agency Allocations Payable

Approved partner agencies receive funding based on a June year end, and the amount committed for the next 6 months is reflected as an allocation payable in the statements of financial position.

United Way of Mid Coast Maine, Inc.

NOTES to FINANCIAL STATEMENTS

June 30, 2025 and 2024

Designations Payable

The financial statements have excluded amounts that were raised for organizations specifically designated by the donors from campaign revenue and program service expenses. Amounts not yet distributed are reflected as designations payable in the statements of financial position.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets 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 are recognized as revenue when the assets are placed in service. Donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Revenue and Revenue Recognition

Annual United Way campaigns are conducted in the fall of each year. Undesignated campaign contributions are used to support various local health and human service programs of partner agencies; to support other community programs and initiatives; to make grants in support of education, financial stability, and health and safety; and to pay United Way's operating expenses. Donors may choose to designate their promises to give to a partner agency, a non-partner agency that provides health and human services with the State of Maine, or another out-of-area-United Way.

Annual fall campaigns are reduced by promises to give that are designated to other organizations, and by a provision for uncollectible promises to give. The resulting net promises to give are reflected as either with or without donor restrictions. It has been United Way's policy to report approximately one half of campaign results as support with donor restriction in the current year's statement of activities with any remaining balance being included in net assets with donor restrictions at year-end.

Support received by United Way under grants that qualify as exchange type transactions are recognized when the terms of the agreement have been met (generally when related expenditures have been incurred). Amounts received but unearned are included in the statements of financial position as refundable advances. Support received by United Way that qualify as nonexchange contributions and grants are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

Contributed Services and Materials

During the periods ending June 30, 2025 and 2024, a substantial number of volunteers contributed significant amounts of time to United Way's program services and its fund-raising campaigns. These services have not been recognized in the financial statements, as they do not meet the criteria for recognition under applicable standards. Donated materials and equipment are recorded at fair market value on the date of receipt.

United Way of Mid Coast Maine, Inc.

NOTES to FINANCIAL STATEMENTS

June 30, 2025 and 2024

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income Taxes

United Way is exempt from federal income tax under Section 501(c)(3), as confirmed by a determination letter issued by the Internal Revenue Service and is classified as other than a private foundation under IRC Section 509(a)(1). Management evaluated United Way's tax positions and concluded that United Way had taken no uncertain tax positions that required adjustment to the financial statements. United Way does not expect that unrecognized tax benefits or liabilities arising from tax positions will change significantly within the next twelve months.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires United Way to make estimates and assumptions that affect the reported amounts of 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, and those differences could be material.

Financial Instruments and Credit Risk

United Way maintains its cash and certificates of deposit accounts at multiple financial institutions. Accounts at the institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At various times throughout the year, United Way's cash balance may exceed FDIC insurance. United Way has entered into an account collateral agreement with the financial institution where the account is maintained, the purpose of which is to collateralize amounts in excess of the FDIC insured amount. United Way has not experienced any losses in its cash and certificates of deposit accounts and management believes it has effectively mitigated any significant risks with respect to these accounts.

Credit risk associated with promises to give is considered to be limited due to high historical collection rates and because substantial portions of outstanding amounts are due from donors supportive of United Way's mission. United Way maintains investment accounts that are managed by diversified investment managers and whose performance is monitored by the finance committee of the Board of Directors. United Way also holds an interest in assets held by the Maine Community Foundation. Although the fair value of investments and the interest in assets held by the Maine Community Foundation is subject to fluctuation on a year-to-year basis, management believes that existing investment policies and guidelines are prudent for the long-term benefit of United Way.

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements and disclosures to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

Subsequent Events

Management has evaluated subsequent events through January 12, 2026, 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.

United Way of Mid Coast Maine, Inc.

NOTES to FINANCIAL STATEMENTS

June 30, 2025 and 2024

NOTE 2 – LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 664,936	\$ 388,747
Promises to give	380,874	490,757
Accounts receivable	11,149	8,993
	<u>\$ 1,056,959</u>	<u>\$ 888,497</u>

United Way's board of directors has designated net assets for various purposes. United Way does not intend to utilize these funds for general expenditure (other than amounts appropriated as part of United Way's annual budget approval) however these amounts could be made available if necessary. Board designated net assets were as follows as of June 30:

	<u>2025</u>	<u>2024</u>
Stabilization reserve	\$ 415,423	\$ 440,630
Operating reserve	951	203,565
Other general uses	39,235	37,331
Investments - board designated	<u>\$ 455,609</u>	<u>\$ 681,526</u>

NOTE 3 – FAIR VALUE MEASUREMENTS AND DISCLOSURES

Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, United Way uses various methods including market, income and cost approaches. Based on these approaches, United Way often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. United Way utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs.

Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

- Level 1 – Valuation for assets and liabilities traded in active exchange markets, such as the New York Stock Exchange.
- 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.
- 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. Level 3 valuations incorporate the entity's own assumptions and projections in determining the fair value assigned to such assets or liabilities.

In determining the appropriate levels, United Way performs a detailed analysis of the assets and liabilities. 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.

United Way of Mid Coast Maine, Inc.

NOTES to FINANCIAL STATEMENTS

June 30, 2025 and 2024

Investment Securities

The fair value of fixed income, publicly traded equity securities is based on quoted market prices, when available, or market prices provided by recognized broker dealers. Shares in mutual funds are based on share values reported by the funds as of the last business day of the fiscal year.

Interest in Assets Held by the Maine Community Foundation

The fair value of the interest in assets held by the Maine Community Foundation (MCF) is based on annual and semi-annual valuations, fund statements, and statements of activities provided to United Way.

The following table presents assets measured at fair value on a recurring basis as of June 30, 2025:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Cash and cash equivalents	\$ 283,649	\$ 283,649		
U.S. Treasury Notes	25,185	25,185		
Corporate bonds	304,771		\$ 304,771	
Mutual funds	76,117	76,117		
Interest in assets held by MCF	495,788			\$ 495,788
	<u>\$ 1,185,510</u>	<u>\$ 384,951</u>	<u>\$ 304,771</u>	<u>\$ 495,788</u>

The following table presents assets measured at fair value on a recurring basis as of June 30, 2024:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Cash and cash equivalents	\$ 397,956	\$ 397,956		
Corporate bonds	388,374		\$ 388,374	
Mutual funds	127,917	127,917		
Interest in assets held by MCF	470,413			\$ 470,413
	<u>\$ 1,384,660</u>	<u>\$ 525,873</u>	<u>\$ 388,374</u>	<u>\$ 470,413</u>

See Note 5 for summarized activity of level 3 classified assets.

NOTE 4 – PROMISES TO GIVE

Promises to give, less allowance for uncollectible pledges, are summarized as follows as of June 30:

	<u>2025</u>	<u>2024</u>
Promises to give	\$ 505,874	\$ 625,757
Less: allowance for uncollectible promises to give	(125,000)	(135,000)
Promises to give, net	<u>\$ 380,874</u>	<u>\$ 490,757</u>

United Way of Mid Coast Maine, Inc.

NOTES to FINANCIAL STATEMENTS

June 30, 2025 and 2024

NOTE 5 – INTEREST IN ASSETS HELD BY THE MAINE COMMUNITY FOUNDATION

The following schedule summarizes the market value of the interest in assets held by the Maine Community Foundation as of June 30:

	<u>2025</u>	<u>2024</u>
Beginning balance	\$ 470,413	\$ 446,310
Interest and dividend income	3,886	3,156
Gains (losses)	43,602	42,199
Fees	(4,023)	(3,892)
Distribution to United Way	(18,090)	(17,360)
Ending balance	<u>\$ 495,788</u>	<u>\$ 470,413</u>

The following schedule summarizes the net increase (decrease) in assets held by the Maine Community Foundation as reflected in the statements of activities for the years ended June 30:

	<u>2025</u>	<u>2024</u>
Interest and dividend income	\$ 3,886	\$ 3,156
Gains (losses)	43,602	42,199
Fees	(4,023)	(3,892)
Net increase (decrease)	<u>\$ 43,465</u>	<u>\$ 41,463</u>

NOTE 6 – PARTNER AGENCY ALLOCATIONS PAYABLE

Funding to partner agencies is approved annually by the Board of Directors. During the year ended June 30, 2025, the Board of Directors approved a total amount of \$440,000 in partner agency funding to be distributed between July 1, 2025 and June 30, 2026. The first two quarterly payments are paid from the 2024 campaign and are recorded as a liability on the accompanying financial statements. The last two quarterly payments are paid from and contingent upon the 2025 campaign and local economic conditions.

Funding to partner agencies is approved annually by the Board of Directors. During the year ended June 30, 2024, the Board of Directors approved a total amount of \$764,796 in partner agency funding to be distributed between July 1, 2024 and June 30, 2025. The first two quarterly payments are paid from the 2023 campaign and are recorded as a liability on the accompanying financial statements. The last two quarterly payments are paid from and contingent upon the 2024 campaign and local economic conditions.

See Note 8 for additional disclosures related to partner agency funding and other community impact distributions.

United Way of Mid Coast Maine, Inc.

NOTES to FINANCIAL STATEMENTS

June 30, 2025 and 2024

NOTE 7 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes or periods:

	<u>2025</u>	<u>2024</u>
Subject to expenditure for specified purpose:		
Provision for food and shelter	\$ 211,748	\$ 221,748
CA\$H Coalition	10,507	35,788
Diaper Project	-	22,153
Other	16,148	10,765
	<u>238,403</u>	<u>290,454</u>
Subject to passage of time:		
Promises to give - campaign	380,874	490,757
	<u>619,277</u>	781,211
Not subject to spending or passage of time	1,400	1,400
	<u>\$ 620,677</u>	<u>\$ 782,611</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the years ended June 30:

	<u>2025</u>	<u>2024</u>
Provision for food and shelter (purpose)	\$ 10,000	\$ 34,805
CA\$H Coalition (purpose)	56,428	18,238
Diaper Project (purpose)	22,153	10,059
Other projects (purpose)	13,261	16,514
Campaign (time)	726,021	699,225
	<u>\$ 827,863</u>	<u>\$ 778,841</u>

NOTE 8 – PARTNER AGENCY FUNDING AND OTHER COMMUNITY IMPACT DISTRIBUTIONS AND ACTIVITIES

Partner Agency

Partner agency funding was approved for programs in the following areas for the years ended June 30:

	<u>2025</u>	<u>2024</u>
Early Childhood	\$ 133,164	\$ 217,289
Healthcare & Safety	82,850	154,480
Meeting Basic Needs	116,776	174,281
Healthy Community Connections	107,210	218,746
	<u>\$ 440,000</u>	<u>\$ 764,796</u>

Early Childhood - Give Kids the Best Start: All children have the best start in life and healthy development from birth into the school years to help prevent future problems and increase health, education, and financial stability outcomes.

Meeting Basic Needs - Build Financial Stability: People have the resources to meet their basic needs and the opportunities to achieve greater financial stability.

United Way of Mid Coast Maine, Inc.

NOTES to FINANCIAL STATEMENTS

June 30, 2025 and 2024

Healthcare & Safety and Healthy Community Connections - Live Healthy and Connected Lives: People are safe, have access to health care, human connection, and experience wellness and positive mental health.

Additional Community Impact Distributions

During the year ended June 30, 2025, United Way supported the statewide Keep Me Warm effort that raised funds which were distributed proportionally to each of the United Ways and Community Action Programs in the state. The Board of Directors approved the distribution of United Way of Mid Coast Maine's share \$7,047 to support fuel assistance at several programs in the region.

United Way continued to administer the IRS VITA program that provides free tax preparation and financial counseling to people with household incomes up to \$67,000. During the year ending June 30, 2025, United Way received the following financial support to support the Midcoast CASH Coalition: IRS VITA grant funding \$14,147, New Ventures Maine at the University of Maine Augusta \$8,000, Midcoast Charitable Foundation of Maine \$2,000, Davenport Trust Fund \$5,000, and First National Bank \$2,000.

Other Community Impact Activities

United Way, in collaboration with all other six United Ways in Maine and Ingraham (since merged to become The Opportunity Alliance) launched 2-1-1 Maine, Inc. in 2006, providing an efficient and cost-effective response to the growing complexities and needs in social, health, economic and human services. Through a 24-hour a day Call Center and statewide database accessible through the internet, 2-1-1 Maine makes confidential access to information, services and opportunities available free, anytime, anywhere for anyone in the State of Maine. During the year ended June 30, 2025, the Board of Directors approved and distributed \$37,964 to the 2-1-1 Maine Initiative.

United Way administers the Emergency Food and Shelter Program (EFSP) for Lincoln, Knox and Sagadahoc Counties. EFSP is a FEMA-funded program authorized by the McKinney-Vento Homeless Assistance Act of 1987. The program supplements and expands ongoing work of local nonprofit and governmental social service organizations to provide shelter, food and supportive services to individuals and families who are experiencing, or at risk of experiencing, hunger and/or homelessness. In the fiscal year ending June 30, 2025, United Way received \$167 for administering these funds in Lincoln and Sagadahoc Counties.

United Way developed the Community Response Initiative that supports community partners working together to have the resources needed to respond to emerging and unmet needs. We became the backbone agency for the Sagadahoc County Working Communities Challenge which helps to increase youth hopefulness. We also manage the Mid Coast Homeless Response Service Hub that works to reduce and eliminate homelessness. We provide support to the Brunswick New Mainers project that helps our newest neighbors have the resources they need to thrive. During the year ended June 30, 2025, United Way recognized \$316,511 of contribution and grant revenue to support these initiatives.

NOTE 9 – FUNCTIONALIZED EXPENSES

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Salaries, related taxes, benefits and various other operating expenditures are allocated on the basis of estimates of time and effort. When applicable, certain costs are directly allocated among program and supporting functions.

United Way of Mid Coast Maine, Inc.

NOTES to FINANCIAL STATEMENTS

June 30, 2025 and 2024

NOTE 10 – LEASES

United Way’s lease portfolio consists primarily of operating leases for space and equipment under non-cancelable lease agreements expiring at various dates.

The following table presents the components of United Way’s lease expenses and the classification of such expenses in the statements of functional expenses for the years ended June 30:

Component of Lease Cost	Classification on Statements of Functional Expenses	<u>2025</u>	<u>2024</u>
Operating lease cost	Occupancy/Maintenance - equipment	\$ 39,264	\$ 39,264

The following table presents the supplemental cash flow information related to operating leases for the years ended June 30:

	<u>2025</u>	<u>2024</u>
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$ 39,264	\$ 39,264

The following presents the weighted-average lease terms and discount rates for operating leases as of June 30:

	<u>2025</u>	<u>2024</u>
Weighted average remaining lease term:		
Operating leases	3.07 years	4.00 years
Weighted average discount rate:		
Operating leases	8.25%	8.25%

The following table includes the future maturities of lease payments for operating leases for fiscal years ending June 30:

2026	\$ 29,504
2027	31,433
2028	34,127
2029	2,973
Total lease payments	<u>98,037</u>
Less current lease liabilities	<u>(29,504)</u>
Total non-current lease liabilities	<u>\$ 68,533</u>

Amortization of right-of-use assets is provided on the straight-line method over the operating lease term. The following table summarizes right-of-use assets as of June 30, 2025:

	<u>2025</u>	<u>2024</u>
Cost	\$ 180,639	\$ 180,639
Accumulated amortization	<u>(82,602)</u>	<u>(52,776)</u>
	<u>\$ 98,037</u>	<u>\$ 127,863</u>

United Way of Mid Coast Maine, Inc.

NOTES to FINANCIAL STATEMENTS

June 30, 2025 and 2024

NOTE 11 – UNITED WAY WORLDWIDE

During the years ended June 30, 2025 and 2024, annual dues in the amount of \$18,635 and \$17,221, respectively, were paid to United Way Worldwide for support services, including use of branded materials, and volunteer and staff development. United Way complies with United Way Worldwide’s membership certification standards.

NOTE 12 – RETIREMENT PLAN

United Way maintains a Tax Deferred Annuity (Section 403b) plan. The plan covers all employees who have satisfied a one-year service requirement. United Way contributes 5% of each eligible employee’s compensation and matches up to an additional 5% employee contribution. Total retirement plan contributions for the years ended June 30, 2025 and 2024 were \$39,141 and \$18,975, respectively.

NOTE 13 – CONCENTRATIONS

During each of the years ended June 30, 2025 and 2024, United Way received campaign revenues of approximately 29% and 25%, respectively, from one organization and its employees.

NOTE 14 – RESTATEMENT

Beginning net assets were restated to properly reflect the time restriction associated with the portion of United Way’s campaign promises to give that are classified by United Way as without donor restriction. The restatement impacted transactions occurring prior to and within the year ended June 30, 2023. The effect of the restatement is as follows:

	<u>As Previously Reported</u>	<u>As Restated</u>	<u>Increase (Decrease)</u>
Net assets without donor restrictions - 7/1/2022	\$ 1,402,989	\$ 1,173,774	\$ (229,215)
Net assets with donor restrictions - 7/1/2022	675,824	905,039	229,215
Change in net assets without donor restrictions	74,590	63,589	(11,001)
Change in net assets with donor restrictions	(54,213)	(43,212)	11,001
Net assets without donor restriction - 6/30/2023	1,477,579	1,237,363	(240,216)
Net assets with donor restrictions - 6/30/2023	621,611	861,827	240,216
Net effect of restatement on total net assets			<u>\$ -</u>

UNITED WAY OF MID COAST MAINE, INC.

SCHEDULE OF PARTNER AGENCY FUNDING

Year Ended June 30, 2025

	From Community Fund	By Donor Choice	Total
Bath Area Family YMCA	\$ 26,414	\$ 598	\$ 27,012
Bath Housing Development Corporation	6,146	-	6,146
Big Brother Big Sisters Bath/Brunswick	16,584	289	16,873
Big Brother Big Sisters of Mid-Maine	15,664	-	15,664
Boothbay Region District Nursing Association	2,470	-	2,470
Bath-Brunswick Respite Care	15,970	550	16,520
Catholic Charities of Maine	8,690	827	9,517
Central Lincoln County YMCA	7,374	520	7,894
Coastal Kids Preschool	9,216	-	9,216
Elmhurst, Inc.	6,638	260	6,898
Family Focus	31,320	1,044	32,364
Gathering Place	6,760	440	7,200
Girl Scouts of Maine	3,998	351	4,349
Habitat for Humanity / 7 Rivers Maine	6,760	180	6,940
Healthy Kids! A Family Resource Network	26,408	-	26,408
Home to Home	4,612	50	4,662
Lincoln County Dental	3,998	-	3,998
Maine Family Planning	3,460	-	3,460
Mid Coast Hunger Prevention Program	15,356	1,596	16,952
Midcoast Literacy	20,458	-	20,458
Midcoast Maine Community Action	44,574	440	45,014
Mobius, Inc.	8,572	-	8,572
MSAD 75 School Based Health Center	10,106	-	10,106
New Hope Midcoast	18,334	104	18,438
OASIS Free Clinic	18,426	544	18,970
People Plus Center	12,976	1,352	14,328
Pine Tree Legal Assistance	13,514	-	13,514
Sexual Assault Support Serv. of Mid Coast	8,852	806	9,658
Spectrum Generations - Meals on Wheels	15,356	2,264	17,620
Tedford Housing	38,702	1,116	39,818
The Salvation Army Bath/Brunswick	8,602	416	9,018
Through These Doors	3,690	-	3,690
	<u>\$ 440,000</u>	<u>\$ 13,747</u>	<u>\$ 453,747</u>

See independent auditor's report.

UNITED WAY OF MID COAST MAINE, INC.

SCHEDULE OF PARTNER AGENCY FUNDING

Year Ended June 30, 2024

	From Community Fund	By Donor Choice	Total
Bath Area Family YMCA	\$ 43,000	\$ 956	\$ 43,956
Bath Housing Development Corporation	10,000	-	10,000
Big Brother Big Sisters Bath/Brunswick	27,000	4,855	31,855
Big Brother Big Sisters of Mid-Maine	25,500	63	25,563
Boothbay Region Community Resource Council	16,000	134	16,134
Boothbay Region District Nursing Association	4,000	28	4,028
Bath-Brunswick Respite Care	26,000	1,361	27,361
Catholic Charities of Maine	14,143	679	14,822
Central Lincoln County YMCA	12,000	465	12,465
Central and Midcoast Maine American Red Cross	6,000	-	6,000
Coastal Kids Preschool	15,000	50	15,050
Elmhurst, Inc.	10,800	631	11,431
Family Focus	51,000	853	51,853
Gathering Place	11,000	414	11,414
Girl Scouts of Maine	6,500	1,141	7,641
Habitat for Humanity / 7 Rivers Maine	11,000	41	11,041
Healthy Kids! A Family Resource Network	43,000	221	43,221
Home to Home	7,500	-	7,500
Independence Association of Maine	17,100	1,263	18,363
Lincoln County Dental	6,500	120	6,620
Maine Family Planning	5,625	41	5,666
Mid Coast Hunger Prevention Program	25,000	1,466	26,466
Midcoast Literacy	33,300	85	33,385
Midcoast Maine Community Action	72,575	715	73,290
Midcoast Youth Center and Skatepark	9,500	213	9,713
Mobius, Inc.	13,950	312	14,262
MSAD 75 School Based Health Center	16,450	-	16,450
New Hope Midcoast	29,848	353	30,201
OASIS Free Clinic	30,000	909	30,909
People Plus Center	21,100	1,771	22,871
Pine Tree Legal Assistance	22,000	274	22,274
Sexual Assault Support Serv. of Mid Coast	14,405	880	15,285
Spectrum Generations - Meals on Wheels	25,000	3,806	28,806
Tedford Housing	63,000	1,247	64,247
The Salvation Army Bath/Brunswick	14,000	450	14,450
Through These Doors	6,000	-	6,000
	<u>\$ 764,796</u>	<u>\$ 25,797</u>	<u>\$ 790,593</u>

See independent auditor's report.