

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

FINANCIAL REPORT

June 30, 2023 and 2022

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

TABLE OF CONTENTS

June 30, 2023 and 2022

	Page No.
Independent Auditor's Report	1
Statements of Financial Position	3
Statements of Activities	5
Statements of Functional Expenses	7
Statements of Cash Flows	9
Notes to Financial Statements	10
Supplementary Information	
Schedules of Partner Agency Funding	21



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, 2023 and 2022, 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, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 audit. 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.

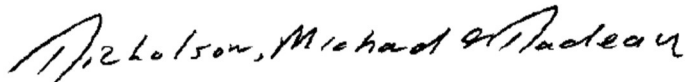
In performing an audit in accordance with generally accepted auditing standards, we:

- 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
December 13, 2023

UNITED WAY OF MID COAST MAINE, INC.

STATEMENTS OF FINANCIAL POSITION

June 30,

ASSETS

	2023	2022
Current Assets		
Cash	\$ 672,096	\$ 644,629
Promises to give, net	549,891	589,150
Prepaid expenses	3,907	3,907
Security deposit	4,838	4,838
Total Current Assets	<u>1,230,732</u>	<u>1,242,524</u>
Property, Plant and Equipment		
Equipment and fixtures	85,756	85,756
Leasehold improvements	5,419	5,419
Software	57,236	57,236
Total property, plant and equipment	<u>148,411</u>	<u>148,411</u>
Less: Accumulated depreciation	<u>(144,210)</u>	<u>(141,885)</u>
Net Property, Plant and Equipment	<u>4,201</u>	<u>6,526</u>
Right-of-use assets - operating leases	<u>155,335</u>	<u>-</u>
Other Assets		
Interest in assets held by the Maine Community Foundation	446,310	440,837
Investments - board designated	679,214	685,790
Investments - restricted	256,232	261,636
Total Other Assets	<u>1,381,756</u>	<u>1,388,263</u>
Total Assets	<u>\$ 2,772,024</u>	<u>\$ 2,637,313</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

	2023	2022
Current Liabilities		
Accounts payable - trade	\$ 13,257	\$ 14,212
Partner agency allocations payable	382,398	382,398
Designations payable	107,848	135,312
Accrued vacation and payroll	13,996	26,578
Current portion of operating lease obligations	27,472	-
Total Current Liabilities	<u>544,971</u>	<u>558,500</u>
Long-Term Liabilities		
Long-term operating lease obligation, excluding current portion	<u>127,863</u>	<u>-</u>
Net Assets		
Without donor restrictions		
Board designated	1,013,555	1,016,241
Undesignated	464,024	386,748
With donor restrictions	621,611	675,824
Total Net Assets	<u>2,099,190</u>	<u>2,078,813</u>
Total Liabilities and Net Assets	<u>\$ 2,772,024</u>	<u>\$ 2,637,313</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, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains, and Other Support			
Campaign:			
Gross campaign results	\$ 643,582	\$ 838,858	\$ 1,482,440
Less donor designations	(152,950)	-	(152,950)
Less provision for uncollectible promises to give	(75,309)	(75,309)	(150,618)
Net campaign results	<u>415,323</u>	<u>763,549</u>	<u>1,178,872</u>
Other gains and support:			
Interest income	3,186	-	3,186
Net investment return	39,448	-	39,448
Increase in interest in assets held by the Maine Community Foundation	21,833	-	21,833
Non-campaign contributions and grants	55,863	55,179	111,042
Designations from other United Ways	195,275	-	195,275
Service fees	22,366	-	22,366
Net assets released from restrictions	872,941	(872,941)	-
Total other gains and support	<u>1,210,912</u>	<u>(817,762)</u>	<u>393,150</u>
Total Revenues, Gains, and Other Support	<u>1,626,235</u>	<u>(54,213)</u>	<u>1,572,022</u>
Distributions and Functional Expenses			
Gross funds awarded/distributed	1,014,310	-	1,014,310
Less donor designations	(152,950)	-	(152,950)
Net funds awarded/distributed	<u>861,360</u>	-	<u>861,360</u>
Program (agency and community service)	407,088	-	407,088
Management and general	76,174	-	76,174
Fundraising	189,835	-	189,835
United Way Worldwide dues	17,188	-	17,188
Total Distributions and Functional Expenses	<u>1,551,645</u>	<u>-</u>	<u>1,551,645</u>
Total Changes in Net Assets	<u>74,590</u>	<u>(54,213)</u>	<u>20,377</u>
Net Assets at Beginning of Year	<u>1,402,989</u>	<u>675,824</u>	<u>2,078,813</u>
Net Assets at End of Year	<u>\$ 1,477,579</u>	<u>\$ 621,611</u>	<u>\$ 2,099,190</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, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains, and Other Support			
Campaign:			
Gross campaign results	\$ 787,588	\$ 889,069	\$ 1,676,657
Less donor designations	(160,037)	-	(160,037)
Less provision for uncollectible promises to give	(60,601)	(60,601)	(121,202)
Net campaign results	<u>566,950</u>	<u>828,468</u>	<u>1,395,418</u>
Other gains and support:			
Interest income	2,138	-	2,138
Net investment loss	(34,911)	-	(34,911)
Decrease in interest in assets held by the Maine Community Foundation	(43,018)	-	(43,018)
Non-campaign contributions and grants	126,735	34,131	160,866
Designations from other United Ways	101,481	-	101,481
Service fees	24,455	-	24,455
Net assets released from restrictions	801,027	(801,027)	-
Total other gains and support	<u>977,907</u>	<u>(766,896)</u>	<u>211,011</u>
Total Revenues, Gains, and Other Support	<u>1,544,857</u>	<u>61,572</u>	<u>1,606,429</u>
Distributions and Functional Expenses			
Gross funds awarded/distributed	1,022,134	-	1,022,134
Less donor designations	(160,037)	-	(160,037)
Net funds awarded/distributed	<u>862,097</u>	-	<u>862,097</u>
Program (agency and community service)	363,714	-	363,714
Management and general	57,799	-	57,799
Fundraising	236,258	-	236,258
United Way Worldwide dues	26,015	-	26,015
Total Distributions and Functional Expenses	<u>1,545,883</u>	<u>-</u>	<u>1,545,883</u>
Total Changes in Net Assets	<u>(1,026)</u>	<u>61,572</u>	<u>60,546</u>
Net Assets at Beginning of Year	<u>1,404,015</u>	<u>614,252</u>	<u>2,018,267</u>
Net Assets at End of Year	<u>\$ 1,402,989</u>	<u>\$ 675,824</u>	<u>\$ 2,078,813</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, 2023

	Agency and Community Service	Management and General	Fund Raising	Total
Salaries	\$ 220,206	\$ 46,091	\$ 84,741	\$ 351,038
Employee benefits	27,775	5,814	10,688	44,277
Payroll taxes	17,861	3,739	6,874	28,474
Professional fees	79,826	11,603	33,610	125,039
Office expense	7,371	1,071	3,103	11,545
Telephone	2,772	403	1,167	4,342
Postage and shipping	1,248	181	525	1,954
Occupancy	23,504	3,417	9,897	36,818
Insurance	6,048	879	2,547	9,474
Maintenance - equipment	2,098	305	883	3,286
Publications and software	285	41	120	446
Marketing	8,383	1,219	3,530	13,132
Travel	1,458	212	614	2,284
Conferences and meetings	2,784	405	1,172	4,361
Dues	1,462	212	615	2,289
Miscellaneous	2,523	366	1,060	3,949
Campaign materials	-	-	16,707	16,707
Contracted Services	-	-	11,357	11,357
Depreciation	1,484	216	625	2,325
	<u>\$ 407,088</u>	<u>\$ 76,174</u>	<u>\$ 189,835</u>	<u>\$ 673,097</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, 2022

	Agency and Community Service	Management and General	Fund Raising	Total
Salaries	\$ 200,504	\$ 23,224	\$ 118,311	\$ 342,039
Employee benefits	37,776	4,375	22,290	64,441
Payroll taxes	16,797	1,946	9,912	28,655
Professional fees	58,768	15,285	36,063	110,116
Office expense	7,047	1,833	4,324	13,204
Telephone	2,949	767	1,810	5,526
Postage and shipping	1,814	472	1,113	3,399
Occupancy	18,323	4,765	11,243	34,331
Insurance	4,825	1,255	2,961	9,041
Maintenance - equipment	2,076	540	1,274	3,890
Publications and software	159	41	98	298
Marketing	5,246	1,364	3,219	9,829
Travel	422	110	259	791
Dues	1,525	396	935	2,856
Miscellaneous	4,242	1,103	2,601	7,946
Campaign materials	-	-	7,741	7,741
Contracted Services	-	-	11,343	11,343
Depreciation	1,241	323	761	2,325
	<u>\$ 363,714</u>	<u>\$ 57,799</u>	<u>\$ 236,258</u>	<u>\$ 657,771</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,

	2023	2022
Cash flows from operating activities:		
Changes in net assets	\$ 20,377	\$ 60,546
Adjustments to reconcile changes in net assets to net cash flows from operating activities:		
Depreciation	2,325	2,325
Provision for uncollectible promises to give	150,618	121,202
Net investment (return) loss	(39,448)	34,911
Change in assets held by the Maine Community Foundation	(21,832)	43,018
(Increase) decrease in operating assets:		
Promises to give	(111,359)	(148,645)
Prepaid expenses	-	(1,220)
Increase (decrease) in operating liabilities:		
Partner agency allocations and designations payable	(27,464)	(25,429)
Accounts payable	(955)	1,786
Accrued vacation and payroll	(12,582)	(5,037)
Net cash flows from operating activities	(40,320)	83,457
Cash flows from investing activities:		
Purchase of property, plant and equipment	-	(1,999)
Proceeds from (purchase of) investments	51,428	(135,729)
Distribution from Maine Community Foundation	16,359	15,330
Net cash flows from investing activities	67,787	(122,398)
Net change in cash and cash equivalents	27,467	(38,941)
Cash at beginning of year	644,629	683,570
Cash end of year	\$ 672,096	\$ 644,629

**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, 2023 and 2022

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.

Promises to Give

United Way serves and conducts its annual campaign in the Mid Coast Maine region which includes Lincoln 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.

Leases

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-02, "Leases (Topic 842)". The new guidance was adopted by United Way in fiscal year 2023. The ASU and subsequent amendments require lessees to recognize assets and liabilities on the balance sheet 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 balance sheet. United Way adopted the ASU as of July 1, 2022.

United Way of Mid Coast Maine, Inc.

NOTES to FINANCIAL STATEMENTS

June 30, 2023 and 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 balance sheet leases with a term of twelve months or less. These two practical expedients were elected for all classes of underlying assets.

Adoption of the standard did not result in the recognition of previously unrecorded operating or finance lease right-of-use assets and corresponding liabilities as of July 1, 2022. Refer to Note 11 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.

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.

United Way of Mid Coast Maine, Inc.

NOTES to FINANCIAL STATEMENTS

June 30, 2023 and 2022

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 deferred revenue. 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, 2023 and 2022, 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.

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.

United Way of Mid Coast Maine, Inc.

NOTES to FINANCIAL STATEMENTS

June 30, 2023 and 2022

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.

Subsequent Events

Management has evaluated subsequent events through December 13, 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.

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>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 672,096	\$ 644,629
Promises to give	549,891	589,150
	<u>\$ 1,221,987</u>	<u>\$ 1,233,779</u>

United Way's board of directors has designated net assets totaling \$1,013,555 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.

United Way of Mid Coast Maine, Inc.

NOTES to FINANCIAL STATEMENTS

June 30, 2023 and 2022

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.

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, 2023:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Cash and cash equivalents	\$ 372,861	\$ 372,861		
Corporate bonds	427,372		\$ 427,372	
Mutual funds	135,213	135,213		
Interest in assets held by MCF	446,310			\$ 446,310
	<u>\$ 1,381,756</u>	<u>\$ 508,074</u>	<u>\$ 427,372</u>	<u>\$ 446,310</u>

United Way of Mid Coast Maine, Inc.

NOTES to FINANCIAL STATEMENTS

June 30, 2023 and 2022

The following table presents assets measured at fair value on a recurring basis as of June 30, 2022:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Cash and cash equivalents	\$ 309,250	\$ 309,250		
Corporate bonds	503,860		\$ 503,860	
Mutual funds	134,316	134,316		
Interest in assets held by MCF	440,837			\$ 440,837
	<u>\$ 1,388,263</u>	<u>\$ 443,566</u>	<u>\$ 503,860</u>	<u>\$ 440,837</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>2023</u>	<u>2022</u>
Promises to give	\$ 699,891	\$ 719,150
Less: allowance for uncollectible promises to give	(150,000)	(130,000)
Promises to give, net	<u>\$ 549,891</u>	<u>\$ 589,150</u>

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>2023</u>	<u>2022</u>
Beginning balance	\$ 440,837	\$ 499,185
Interest and dividend income	2,053	1,317
Gains (losses)	27,079	(35,594)
Fees	(7,299)	(8,741)
Distribution to United Way	(16,360)	(15,330)
Ending balance	<u>\$ 446,310</u>	<u>\$ 440,837</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>2023</u>	<u>2022</u>
Interest and dividend income	\$ 2,053	\$ 1,317
Gains (losses)	27,079	(35,594)
Fees	(7,299)	(8,741)
Net increase (decrease)	<u>\$ 21,833</u>	<u>\$ (43,018)</u>

United Way of Mid Coast Maine, Inc.

NOTES to FINANCIAL STATEMENTS

June 30, 2023 and 2022

NOTE 6 – PARTNER AGENCY ALLOCATIONS PAYABLE

Funding to partner agencies is approved annually by the Board of Directors. During the year ended June 30, 2023, the Board of Directors approved a total amount of \$764,796 in partner agency funding to be distributed between July 1, 2023 and June 30, 2024. The first two quarterly payments are paid from the fall 2022 campaign and are recorded as a liability on the accompanying financial statements. The last two quarterly payments are paid from and contingent upon the fall 2023 campaign and local economic conditions.

Funding to partner agencies is approved annually by the Board of Directors. During the year ended June 30, 2022, the Board of Directors approved a total amount of \$764,796 in partner agency funding to be distributed between July 1, 2022 and June 30, 2023. The first two quarterly payments are paid from the fall 2021 campaign and are recorded as a liability on the accompanying financial statements. The last two quarterly payments are paid from and contingent upon the fall 2022 campaign and local economic conditions.

See Note 9 for additional disclosures related to partner agency funding and other community impact distributions.

NOTE 7 – BOARD DESIGNATED NET ASSETS

Board designated net assets consisted of the following as of June 30:

	<u>2023</u>	<u>2022</u>
Endowment	\$ 317,041	\$ 313,151
Stabilization reserve	425,108	436,800
Operating reserve	219,006	213,890
Home visiting initiative	17,300	17,300
Harbor Children's Center	35,100	35,100
Total	<u>\$ 1,013,555</u>	<u>\$ 1,016,241</u>

NOTE 8 – NET ASSETS WITH DONOR RESTRICTIONS

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

	<u>2023</u>	<u>2022</u>
Subject to expenditure for specified purpose:		
Provision for food and shelter	\$ 265,731	\$ 265,731
CASH Coalition	28,655	24,077
Diaper Project	21,483	20,014
Other	4,667	4,667
	<u>320,536</u>	314,489
Subject to passage of time:		
Campaign	299,675	359,935
	<u>620,211</u>	674,424
Not subject to spending or passage of time	1,400	1,400
	<u>\$ 621,611</u>	<u>\$ 675,824</u>

United Way of Mid Coast Maine, Inc.

NOTES to FINANCIAL STATEMENTS

June 30, 2023 and 2022

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>2023</u>	<u>2022</u>
Provision for food and shelter (purpose)	\$ 622	\$ 540
CA\$H Coalition (purpose)	18,202	11,638
Diaper Project (purpose)	14,974	6,916
Other projects (purpose)	15,334	2,787
Campaign (time)	823,809	779,146
	<u>\$ 872,941</u>	<u>\$ 801,027</u>

NOTE 9 – 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>2023</u>	<u>2022</u>
Early Childhood	\$ 217,289	\$ 217,289
Healthcare & Safety	154,480	154,480
Meeting Basic Needs	174,281	174,281
Healthy Community Connections	218,746	218,746
	<u>\$ 764,796</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.

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 ending June 30, 2023, United Way received \$16,443 from various donors in support of the Diaper Project including: \$5,000 from the Davenport Trust, \$5,000 from Burns Family Foundation, \$3,000 from Bowdoin College, \$1,463 from Bath Savings' team members, \$250 from Norway Saving Bank, plus a total of \$1,730 from individual donors. United Way has collected and distributed, to date, close to 583,795 diapers to the Mid Coast community.

United Way also 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 of \$15,334 to support fuel assistance at several programs in the region.

United Way of Mid Coast Maine, Inc.

NOTES to FINANCIAL STATEMENTS

June 30, 2023 and 2022

United Way continued to administer the IRS VITA program that provides free tax preparation and financial counseling to people with household incomes up to \$60,000. During the year ending June 30, 2023, United Way received the following financial support to support the Midcoast CA\$H Coalition: Bath Savings Institution \$2,000, Midcoast Charitable Foundation of Maine (MRRA) \$2,480, Davenport Fund \$4,000, IRS VITA grant funding \$8,300 and University of Maine \$6,000.

Other Community Impact Activities

United Way, in collaboration with all other nine 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, 2023, the Board of Directors approved and distributed \$35,842 to the 2-1-1 Maine Initiative.

United Way administers the Emergency Food and Shelter Program (EFSP) for Lincoln 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, 2023, United Way received \$622 for administering these funds in Lincoln and Sagadahoc Counties.

NOTE 10 – 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.

NOTE 11 – 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 statement of functional expenses for the year ended June 30, 2023:

Component of Lease Cost	Classification on Statement of Functional Expenses	<u>2023</u>
Operating lease cost	Occupancy/Maintenance - equipment	\$ 39,264

The following table presents the supplemental cash flow information related to operating leases for the year ended June 30, 2023:

	<u>2023</u>
Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows from operating leases	\$ 39,264

The right-of-use assets obtained in exchange for operating lease obligations for the year ended June 30, 2023 was \$180,639.

United Way of Mid Coast Maine, Inc.

NOTES to FINANCIAL STATEMENTS

June 30, 2023 and 2022

The following presents the weighted-average lease terms and discount rates for operating leases as of June 30, 2023:

Weighted average remaining lease term:	
Operating leases	4.96 years
Weighted average discount rate:	
Operating leases	8.25%

The following table includes the future maturities of lease payments for operating leases for fiscal years subsequent to June 30, 2023:

2024	\$ 27,472
2025	29,826
2026	29,504
2027	31,433
2028	34,127
2029	2,973
Total lease payments	<u>155,335</u>
Less current lease liabilities	<u>(27,472)</u>
Total non-current lease liabilities	<u><u>\$ 127,863</u></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, 2023:

	<u>2023</u>
Cost	\$ 180,639
Accumulated amortization	<u>(25,304)</u>
	<u><u>\$ 155,335</u></u>

The following table includes the future maturities of minimum rental payments that were required to be paid under all non-cancelable operating lease obligations for periods subsequent to June 30, 2022, prior to the adoption of ASC Topic No. 842:

2023	\$ 28,240
2024	28,240
2025	28,240
2026	25,455
2027	24,898
Thereafter	26,973
Total	<u><u>\$ 162,046</u></u>

NOTE 11 – UNITED WAY WORLDWIDE

During the years ended June 30, 2023 and 2022, annual dues in the amount of \$17,188 and \$26,015, 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.

United Way of Mid Coast Maine, Inc.

NOTES to FINANCIAL STATEMENTS

June 30, 2023 and 2022

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, 2023 and 2022 were \$9,745 and \$21,096, respectively.

NOTE 13 – CONCENTRATIONS

During each of the years ended June 30, 2023 and 2022, United Way received campaign revenues of approximately 25% from one organization and its employees.

UNITED WAY OF MID COAST MAINE, INC.

SCHEDULE OF PARTNER AGENCY FUNDING

Year Ended June 30, 2023

	From Community Fund	By Donor Choice	Total
Bath Area Family YMCA	\$ 43,000	\$ 1,326	\$ 44,326
Bath Housing Development Corporation	10,000	-	10,000
Big Brother Big Sisters Bath/Brunswick	27,000	5,958	32,958
Big Brother Big Sisters of Mid-Maine	25,500	78	25,578
Boothbay Region Community Resource Council	16,000	163	16,163
Boothbay Region District Nursing Association	4,000	33	4,033
Brunswick Area Respite Care	26,000	1,406	27,406
Catholic Charities of Maine	14,143	908	15,051
Central Lincoln County YMCA	12,000	1,872	13,872
Coast Kids Preschool	15,000	50	15,050
Elmhurst, Inc.	10,800	880	11,680
Family Focus	51,000	1,118	52,118
Gathering Place	11,000	500	11,500
Girl Scouts of Maine	6,500	1,361	7,861
Habitat for Humanity / 7 Rivers Maine	11,000	50	11,050
Healthy Kids! A Family Resource Network	43,000	1,127	44,127
Home to Home	7,500	-	7,500
Independence Association of Maine	17,100	2,490	19,590
Lincoln County Dental	6,500	163	6,663
Maine Family Planning	5,625	778	6,403
Mid Coast Chapter American Red Cross	6,000	347	6,347
Mid Coast Hunger Prevention	25,000	6,309	31,309
Midcoast Literacy	33,300	104	33,404
Midcoast Maine Community Action	72,575	708	73,283
Midcoast Youth Center	9,500	260	9,760
Mobius, Inc.	13,950	1,318	15,268
MSAD 75 School Based Health Center	16,450	514	16,964
New Hope for Women, Inc.	29,848	262	30,110
OASIS Health Clinic	30,000	1,709	31,709
People Plus Center	21,100	2,216	23,316
Pine Tree Legal Assistance	22,000	890	22,890
Planned Parenthood of NNE	-	6,705	6,705
Sexual Assault Support Serv. of Mid Coast	14,405	104	14,509
Spectrum Generations - Meals on Wheels	25,000	5,292	30,292
Tedford Housing	63,000	2,014	65,014
Through These Doors	6,000	-	6,000
The Salvation Army Bath/Brunswick	14,000	681	14,681
	<u>\$ 764,796</u>	<u>\$ 49,694</u>	<u>\$ 814,490</u>

See independent auditor's report.

UNITED WAY OF MID COAST MAINE, INC.

SCHEDULE OF PARTNER AGENCY FUNDING

Year Ended June 30, 2022

	From Community Fund	By Donor Choice	Total
Bath Area Family YMCA	\$ 46,000	\$ 4,799	\$ 50,799
Big Brother Big Sisters Bath/Brunswick	27,000	4,977	31,977
Big Brother Big Sisters of Mid-Maine	25,496	388	25,884
Boothbay Region Community Resource Council	16,500	1,104	17,604
Boothbay Region District Nursing Association	4,000	52	4,052
Brunswick Area Respite Care	23,000	715	23,715
Catholic Charities of Maine	14,400	1,177	15,577
Central Lincoln County YMCA	9,000	553	9,553
Coast Kids Preschool	15,000	102	15,102
Elmhurst, Inc.	10,800	130	10,930
Family Focus	58,446	1,504	59,950
Gathering Place	11,000	692	11,692
Girl Scouts of Maine	7,400	1,954	9,354
Habitat for Humanity / 7 Rivers Maine	10,500	208	10,708
Healthy Kids! A Family Resource Network	42,000	390	42,390
Home to Home	6,580	-	6,580
Independence Association of Maine	17,100	1,120	18,220
Lincoln County Dental	6,500	130	6,630
Maine Family Planning	5,625	666	6,291
Mid Coast Chapter American Red Cross	12,500	2,358	14,858
Mid Coast Hunger Prevention	13,000	6,722	19,722
Midcoast Literacy	34,304	416	34,720
Midcoast Maine Community Action	75,240	1,390	76,630
Midcoast Youth Center	9,000	780	9,780
Mobius, Inc.	13,950	1,298	15,248
MSAD 75 School Based Health Center	16,450	790	17,240
New Hope for Women, Inc.	29,848	1,500	31,348
OASIS Health Clinic	30,000	3,168	33,168
People Plus Center	19,600	1,332	20,932
Pine Tree Legal Assistance	22,000	441	22,441
Planned Parenthood of NNE	10,152	7,430	17,582
Sexual Assault Support Serv. of Mid Coast	14,405	1,185	15,590
Spectrum Generations - Meals on Wheels	25,000	3,562	28,562
Tedford Housing	63,000	3,606	66,606
Through These Doors	6,000	280	6,280
The Salvation Army Bath/Brunswick	14,000	2,526	16,526
	<u>\$ 764,796</u>	<u>\$ 59,445</u>	<u>\$ 824,241</u>

See independent auditor's report.