


# United Way, Inc. d/b/a United Way of Southern Maine and Subsidiary

CONSOLIDATED FINANCIAL STATEMENTS  
and  
SUPPLEMENTARY INFORMATION

June 30, 2025 and 2024

With Independent Auditor's Report



## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
United Way, Inc. d/b/a United Way of  
Southern Maine and Subsidiary

### Opinion

We have audited the accompanying consolidated financial statements of United Way, Inc. d/b/a United Way of Southern Maine and Subsidiary (the Organization), which comprise the consolidated statements of financial position as of June 30, 2025 and 2024, the related consolidated statements of activities, functional expenses, and cash flows for the years then ended; and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Organization as of June 30, 2025 and 2024, and the consolidated changes in their net assets and cash flows for the years then ended in accordance with U.S. generally accepted accounting principles (U.S. GAAP).

### Basis for Opinion

We conducted our audits in accordance with U.S. generally accepted auditing standards (U.S. GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Organization 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with U.S. GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 U.S. GAAS 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 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 consolidated financial statements.

Board of Directors  
United Way, Inc. d/b/a United Way of  
Southern Maine and Subsidiary

In performing an audit in accordance with U.S. GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 the Organization'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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.

### **Report on Consolidating Information**

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statement of financial position as of June 30, 2025 and consolidating statement of activities for the year ended June 30, 2025 are presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position and changes in net assets of the individual entities, and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with U.S. GAAS. In our opinion, the consolidating information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

*BMP Assurance, LLP*

Portland, Maine  
March 27, 2026

**UNITED WAY, INC. D/B/A UNITED WAY OF  
SOUTHERN MAINE AND SUBSIDIARY**

**Consolidated Statements of Financial Position**

**June 30, 2025 and 2024**

**ASSETS**

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 1,570,776	\$ 2,536,780
Pledges receivable, net	2,241,365	2,278,236
Other receivables	498,427	882,662
Other assets	96,314	31,563
Certificates of deposit	-	26,570
Long-term investments	12,173,972	11,284,542
Beneficial interest in perpetual trusts	1,893,362	1,778,202
Right-of-use assets, operating leases	1,487,620	1,611,272
Equipment, net of accumulated depreciation of \$447,488 in 2025 and \$448,055 in 2024	<u>343,813</u>	<u>405,027</u>
Total assets	<u>\$ 20,305,649</u>	<u>\$ 20,834,854</u>

**LIABILITIES AND NET ASSETS**

Liabilities		
Accounts payable and accrued expenses	\$ 1,176,014	\$ 962,959
Designations payable	956,629	1,616,670
Lease liabilities, operating leases	<u>1,537,007</u>	<u>1,647,203</u>
Total liabilities	<u>3,669,650</u>	<u>4,226,832</u>
Net assets		
Without donor restrictions		
Undesignated	2,104,578	2,476,123
Board designated	<u>5,456,957</u>	<u>5,126,806</u>
Total without donor restrictions	7,561,535	7,602,929
With donor restrictions	<u>9,074,464</u>	<u>9,005,093</u>
Total net assets	<u>16,635,999</u>	<u>16,608,022</u>
Total liabilities and net assets	<u>\$ 20,305,649</u>	<u>\$ 20,834,854</u>

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

**UNITED WAY, INC. D/B/A UNITED WAY OF  
SOUTHERN MAINE AND SUBSIDIARY**

**Consolidated Statement of Activities**

**Year Ended June 30, 2025**

**(With summarized information for the Year Ended June 30, 2024 for comparison)**

	2025			2024
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Campaign results:				
2024 campaign results	\$ -	\$ 6,361,002	\$ 6,361,002	\$ 129,889
2023 campaign results	-	167,903	167,903	6,151,740
2022 campaign results	-	-	-	43,928
Less donor designations to other organizations, net	-	(782,657)	(782,657)	(833,822)
Less provision for uncollectible pledges	-	(350,937)	(350,937)	(134,385)
Net campaign results	-	5,395,311	5,395,311	5,357,350
Revenues, gains, and other support:				
Net assets released from restriction from campaign				
2024 campaign	2,767,026	(2,767,026)	-	-
2023 campaign	2,806,045	(2,806,045)	-	-
Gifts and bequests	230,721	-	230,721	15,050
Grant and contract revenue	-	3,032,634	3,032,634	4,051,377
Service fees	189,782	57,763	247,545	209,570
Investment income	267,604	69,412	337,016	325,927
Realized and unrealized gains on investments	608,986	420,897	1,029,883	1,312,708
Miscellaneous	64,992	11,113	76,105	118,591
Other net assets released from restriction	3,459,848	(3,459,848)	-	-
Gains on beneficial interest in perpetual trusts	-	115,160	115,160	151,722
Total revenues	<u>10,395,004</u>	<u>69,371</u>	<u>10,464,375</u>	<u>11,542,295</u>
Expenses:				
Agency investments/awards	3,032,446	-	3,032,446	3,436,290
Less donor designations, net	(824,547)	-	(824,547)	(772,730)
Community impact 211 Maine	4,313,084	-	4,313,084	7,023,870
Total program services	<u>1,492,360</u>	<u>-</u>	<u>1,492,360</u>	<u>875,359</u>
Total program services	8,013,343	-	8,013,343	11,393,163
Supporting services - management and general and fundraising	<u>2,423,055</u>	<u>-</u>	<u>2,423,055</u>	<u>2,248,245</u>
Total expenses	<u>10,436,398</u>	<u>-</u>	<u>10,436,398</u>	<u>13,641,408</u>
Change in net assets	(41,394)	69,371	27,977	(2,099,113)
Net assets, beginning of year	<u>7,602,929</u>	<u>9,005,093</u>	<u>16,608,022</u>	<u>18,707,135</u>
Net assets, end of year	<u>\$ 7,561,535</u>	<u>\$ 9,074,464</u>	<u>\$ 16,635,999</u>	<u>\$ 16,608,022</u>

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

**UNITED WAY, INC. D/B/A UNITED WAY OF  
SOUTHERN MAINE AND SUBSIDIARY**

**Consolidated Statement of Activities**

**Year Ended June 30, 2024**

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
Campaign results:			
2023 campaign results	\$ -	\$ 129,889	\$ 129,889
2022 campaign results	-	6,151,740	6,151,740
2021 campaign results	-	43,928	43,928
Less donor designations to other organizations, net	-	(833,822)	(833,822)
Less provision for uncollectible pledges	<u>-</u>	<u>(134,385)</u>	<u>(134,385)</u>
Net campaign results	-	5,357,350	5,357,350
Revenues, gains, and other support:			
Net assets released from restriction from campaign			
2023 campaign	2,806,045	(2,806,045)	-
2022 campaign	3,462,744	(3,462,744)	-
Gifts and bequests	15,050	-	15,050
Grant and contract revenue	-	4,051,377	4,051,377
Service fees	175,752	33,818	209,570
Investment income	266,394	59,533	325,927
Realized gains on investments	55,771	38,940	94,711
Unrealized gains on investments	717,957	500,040	1,217,997
Miscellaneous	118,091	500	118,591
Other net assets released from restriction	6,762,509	(6,762,509)	-
Gain on beneficial interest in perpetual trust	<u>-</u>	<u>151,722</u>	<u>151,722</u>
Total revenues	<u>14,380,313</u>	<u>(2,838,018)</u>	<u>11,542,295</u>
Expenses:			
Agency investments/awards	3,436,290	-	3,436,290
Less donor designations, net	(772,730)	-	(772,730)
Community impact	7,023,870	-	7,023,870
211 Maine	<u>1,705,733</u>	<u>-</u>	<u>1,705,733</u>
Total program services	11,393,163	-	11,393,163
Supporting services - management and general and fundraising	<u>2,248,245</u>	<u>-</u>	<u>2,248,245</u>
Total expenses	<u>13,641,408</u>	<u>-</u>	<u>13,641,408</u>
Change in net assets	738,905	(2,838,018)	(2,099,113)
Net assets, beginning of year	<u>6,864,024</u>	<u>11,843,111</u>	<u>18,707,135</u>
Net assets, end of year	<u>\$ 7,602,929</u>	<u>\$ 9,005,093</u>	<u>\$ 16,608,022</u>

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

**UNITED WAY, INC. D/B/A UNITED WAY OF SOUTHERN MAINE AND SUBIDIARY**

**Consolidated Statement of Functional Expenses**

**Year Ended June 30, 2025**

	<u>Program Services</u>				<u>Supporting Services</u>			
	<u>Essential Programs and Services</u>	<u>Community Impact</u>	<u>211 Maine</u>	<u>Total</u>	<u>Management and General</u>	<u>Fund Raising</u>	<u>Total</u>	<u>Total</u>
Gross investments/awards/contracted services	\$ 3,032,446	\$ 987,665	\$ 1,386,905	\$ 5,407,016	\$ -	\$ -	\$ -	\$ 5,407,016
Less donor designations, net	<u>(824,547)</u>	<u>-</u>	<u>-</u>	<u>(824,547)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(824,547)</u>
Agency investments/awards/contracted services	<u>2,207,899</u>	<u>987,665</u>	<u>1,386,905</u>	<u>4,582,469</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,582,469</u>
Salaries	-	1,928,602	77,840	2,006,442	645,282	833,508	1,478,790	3,485,232
Employees' health and retirement benefits	-	374,724	6,836	381,560	26,876	164,116	190,992	572,552
Payroll taxes	-	151,691	5,809	157,500	60,959	53,077	114,036	271,536
Professional fees	-	236,283	3,670	239,953	103,628	28,484	132,112	372,065
Supplies	-	27,639	74	27,713	3,277	4,334	7,611	35,324
Telephone	-	14,771	-	14,771	6,120	6,513	12,633	27,404
Postage and shipping	-	4,695	302	4,997	1,447	1,539	2,986	7,983
Occupancy	-	150,607	3,600	154,207	73,477	78,234	151,711	305,918
Marketing and communications materials	-	48,326	625	48,951	7,074	6,608	13,682	62,633
Publications and subscription	-	379	-	379	133	135	268	647
Travel	-	18,352	2,143	20,495	1,276	3,749	5,025	25,520
Conferences, conventions, and meetings	-	41,321	75	41,396	5,728	21,756	27,484	68,880
National agency support	-	52,093	-	52,093	25,627	27,307	52,934	105,027
Equipment, rental and maintenance	-	225,023	91	225,114	87,646	93,312	180,958	406,072
Insurance	-	10,913	4,364	15,277	5,345	5,701	11,046	26,323
Miscellaneous	-	6,907	25	6,932	3,377	3,784	7,161	14,093
Depreciation	-	33,093	-	33,093	16,279	17,347	33,626	66,719
Total operations	<u>-</u>	<u>3,325,419</u>	<u>105,454</u>	<u>3,430,873</u>	<u>1,073,551</u>	<u>1,349,504</u>	<u>2,423,055</u>	<u>5,853,928</u>
Total expenses	<u>\$ 2,207,899</u>	<u>\$ 4,313,084</u>	<u>\$ 1,492,359</u>	<u>\$ 8,013,342</u>	<u>\$ 1,073,551</u>	<u>\$ 1,349,504</u>	<u>\$ 2,423,055</u>	<u>\$ 10,436,397</u>

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

**UNITED WAY, INC. D/B/A UNITED WAY OF SOUTHERN MAINE AND SUBIDIARY**

**Consolidated Statement of Functional Expenses**

**Year Ended June 30, 2024**

	Program Services				Supporting Services			
	Essential Programs and Services	Community Impact	211 Maine	Total	Management and General	Fund Raising	Total	Total
Gross investments/awards/contracted services	\$ 3,436,290	\$ 3,926,857	\$ 1,595,720	\$ 8,958,867	\$ -	\$ -	\$ -	\$ 8,958,867
Less donor designations, net	<u>(772,730)</u>	<u>-</u>	<u>-</u>	<u>(772,730)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(772,730)</u>
Agency investments/awards/ contracted services	<u>2,663,560</u>	<u>3,926,857</u>	<u>1,595,720</u>	<u>8,186,137</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,186,137</u>
Salaries	-	1,895,435	73,372	1,968,807	680,806	690,385	1,371,191	3,339,998
Employees' health and retirement benefits	-	302,668	5,875	308,543	34,579	149,583	184,162	492,705
Payroll taxes	-	141,932	5,655	147,587	55,014	52,242	107,256	254,843
Professional fees and contract services	-	147,542	6,124	153,666	42,943	18,525	61,468	215,134
Supplies	-	35,912	159	36,071	4,282	5,174	9,456	45,527
Telephone	-	11,168	-	11,168	4,494	4,740	9,234	20,402
Postage and shipping	-	2,865	505	3,370	1,325	1,471	2,796	6,166
Occupancy	-	172,442	3,600	176,042	84,773	90,352	175,125	351,167
Marketing and communications materials	-	14,459	4,028	18,487	6,694	7,599	14,293	32,780
Publications and subscription	-	102	-	102	50	53	103	205
Travel	-	12,295	778	13,073	2,509	5,354	7,863	20,936
Conferences, conventions, and meetings	-	37,561	2,965	40,526	5,945	8,493	14,438	54,964
National agency support	-	54,690	-	54,690	26,904	28,668	55,572	110,262
Equipment, rental and maintenance	-	209,949	2,648	212,597	85,479	91,058	176,537	389,134
Insurance	-	12,356	4,280	16,636	6,078	6,477	12,555	29,191
Miscellaneous	-	11,479	24	11,503	5,477	6,009	11,486	22,989
Depreciation	-	<u>34,158</u>	<u>-</u>	<u>34,158</u>	<u>16,804</u>	<u>17,906</u>	<u>34,710</u>	<u>68,868</u>
Total operations	<u>-</u>	<u>3,097,013</u>	<u>110,013</u>	<u>3,207,026</u>	<u>1,064,156</u>	<u>1,184,089</u>	<u>2,248,245</u>	<u>5,455,271</u>
Total expenses	<u>\$ 2,663,560</u>	<u>\$ 7,023,870</u>	<u>\$ 1,705,733</u>	<u>\$ 11,393,163</u>	<u>\$ 1,064,156</u>	<u>\$ 1,184,089</u>	<u>\$ 2,248,245</u>	<u>\$ 13,641,408</u>

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

**UNITED WAY, INC. D/B/A UNITED WAY OF  
SOUTHERN MAINE AND SUBSIDIARY**

**Consolidated Statements of Cash Flows**

**Years Ended June 30, 2025 and 2024**

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities		
Change in net assets	\$ 27,977	\$ (2,099,113)
Adjustments to reconcile change in net assets to net cash used by operating activities		
Depreciation	66,719	68,868
Net realized and unrealized gains on investments	(1,029,883)	(1,312,708)
Gain on beneficial interest in perpetual trusts	(115,160)	(151,722)
Right-of-use operating leases, net	13,456	16,481
Changes in operating assets and liabilities		
Pledges receivable	36,871	138,879
Other receivables	384,235	(530,972)
Other assets	(64,751)	107,125
Accounts payable and accrued expenses	213,055	(441,052)
Designations payable	<u>(660,041)</u>	<u>571,847</u>
Net cash used by operating activities	<u>(1,127,522)</u>	<u>(3,632,367)</u>
Cash flows from investing activities		
Purchase of equipment	(5,505)	(62,280)
Maturity of certificates of deposit	26,570	49,662
Purchase of investments	(634,547)	(1,767,260)
Proceeds from sale and maturities of investments	<u>775,000</u>	<u>2,025,111</u>
Net cash provided by investing activities	<u>161,518</u>	<u>245,233</u>
Net decrease in cash and cash equivalents	<u>(966,004)</u>	<u>(3,387,134)</u>
Cash and cash equivalents, beginning of year	<u>2,536,780</u>	<u>5,923,914</u>
Cash and cash equivalents, end of year	<u>\$ 1,570,776</u>	<u>\$ 2,536,780</u>

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

**UNITED WAY, INC. D/B/A UNITED WAY OF  
SOUTHERN MAINE AND SUBSIDIARY**

**Notes to Consolidated Financial Statements**

**June 30, 2025 and 2024**

**1. Description of Organization and Summary of Significant Accounting Policies**

**Organization**

United Way, Inc. d/b/a United Way of Southern Maine (United Way) improves people's lives by mobilizing the caring power of our communities. With financial, volunteer, and in-kind support, United Way works with community partners to address the most pressing health and human service issues in Southern Maine.

United Way is the sole member of 211 Maine, Inc., a Maine nonprofit corporation (211 Maine). 211 Maine was established to offer comprehensive health and human service information and referral services for the State of Maine (the State).

United Way and 211 Maine, collectively, are referred to as "the Organization."

**Reporting Entity and Consolidation**

The accompanying consolidated financial statements include the accounts of the Organization. All intercompany balances and transactions have been eliminated in consolidation.

**Operations**

Annual United Way campaigns are conducted in the fall of each year. Undesignated campaign contributions are used to support 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, health, and diversity and inclusion strategies; and to pay the Organization's operating expenses. Donors may choose to designate their pledges to a partner agency, a non-partner agency that provides health and human services within the State, or another out-of-area United Way.

Annual fall campaigns are reduced by pledges that are designated to other organizations (Specific Care donations), and by a provision for uncollectible pledges. The resulting net pledges are reflected as campaign results with donor restrictions until released from restriction and expended. Approximately one-half of the prior and current years' campaign results are released from restriction in the current year's statement of activities. The balance of the current year's net pledges is included in net assets with donor restrictions at year-end. Specific Care donations, net of an administrative fee and provisions for uncollectible pledges, have been recorded as designations payable in the consolidated statements of financial position and have not been recorded as revenue or expense in the consolidated statements of activities.

The Organization also processes pledges and collects and distributes funds outside of Southern Maine from employees of several companies. Like Specific Care pledges raised locally, these donations, net of an administrative fee and provisions for uncollectible pledges, have been recorded as designations payable in the consolidated statements of financial position and have not been recorded as revenue or expense in the consolidated statements of activities. See Note 3.

**UNITED WAY, INC. D/B/A UNITED WAY OF  
SOUTHERN MAINE AND SUBSIDIARY**

**Notes to Consolidated Financial Statements**

**June 30, 2025 and 2024**

In addition to annual campaign and other cash contributions, donors can utilize various planned giving vehicles including bequests, gifts of securities, and life insurance to support the Organization's long-term operations. Such contributions are assets of the Organization. Endowment assets are managed by the Organization's Finance Committee in accordance with an Investment Policy approved by the Board of Directors (Board).

**Basis of Presentation**

The consolidated financial statements of the Organization have been prepared in accordance with U.S. generally accepted accounting principles (U.S. GAAP), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

**Net assets without donor restrictions:** Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Academy. These net assets may be used at the discretion of the Organization's management and the Board.

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

**Use of Estimates**

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements. Estimates also affect the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

**Cash and Cash Equivalents**

Cash and cash equivalents include investments in highly liquid debt securities with original maturities of three months or less when purchased, excluding investments held in trust.

**Investments**

Investments in equity securities with readily determinable fair values and all investments in debt securities are recorded at fair value based on quoted market prices in the consolidated statements of financial position.

**UNITED WAY, INC. D/B/A UNITED WAY OF  
SOUTHERN MAINE AND SUBSIDIARY**

**Notes to Consolidated Financial Statements**

**June 30, 2025 and 2024**

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

**Equipment**

Equipment is carried at cost or, if acquired by gift, at appraised value at date of gift. Depreciation is provided over the estimated useful lives of the respective assets using the straight-line method.

Contributed equipment is recorded at fair value at the date of donation. If donors stipulate how long the assets must be used for a specific purpose, the contributions are recorded as support with donor restrictions. In the absence of such stipulations, contributions of equipment are recorded as support without donor restrictions.

**Right-of-Use Assets and Lease Liabilities**

The Organization determines if an arrangement is a lease or contains a lease at inception of a contract. In evaluating its contracts, the Organization separately identifies lease and non-lease components, such as common area and other maintenance costs, in calculating the right-of-use (ROU) assets and lease liabilities.

Leases result in the recognition of ROU assets and lease liabilities. ROU assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments arising from the lease, measured on a discounted basis. At lease inception, the lease liability is measured at the present value of the lease payments over the lease term, typically calculated using the Organization's incremental borrowing rate. The Organization determines lease classification as operating or finance at the lease commencement date.

The lease term may include options to extend or to terminate the lease that the Organization is reasonably certain to exercise. Operating lease expenses are recognized on a straight-line basis throughout the lease term, whereas finance leases apply the effective interest rate method. Leases with terms of fewer than 12 months are not recorded in the consolidated statements of financial position but are expensed over the lease term.

**Donor-Restricted Gifts**

Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received. The gifts are reported as support with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When the donor stipulation expires, net assets are reclassified to net assets without donor restrictions.

**UNITED WAY, INC. D/B/A UNITED WAY OF  
SOUTHERN MAINE AND SUBSIDIARY**

**Notes to Consolidated Financial Statements**

**June 30, 2025 and 2024**

**Grant and Contract Revenue**

The Organization also undertakes other specific initiatives periodically in connection with its goals for the education, financial stability, and health of the Southern Maine community. These initiatives are funded by operating dollars from the sources referenced above as well as grants from foundations and corporations.

Expenditure-driven grants are recognized in the period expenditures are incurred in connection with the grant. Other grants and contracts are recognized as conditions, if any, are met under the terms of the grant and contract agreements. At June 30, 2025 and 2024, unspent grant funds totaled \$108,379 and \$146,246, respectively, and were included in accounts payable and accrued expenses on the consolidated statements of financial position.

**Expense Allocations**

Expenses are allocated to both programs and supporting services. Salaries and wages are allocated based on estimates of time spent by members of the staff. Other expenses that are not directly attributable to one category are allocated based on full-time equivalents.

**Subsequent Events**

Management has evaluated subsequent events through March 27, 2026, the date the accompanying consolidated financial statements were available to be issued.

**2. Liquidity and Availability of Financial Assets**

As of June 30, 2025 and 2024, the Organization had working capital of approximately \$2,182,000 and \$2,987,000, respectively, and average days cash on hand (based on normal expenditures) of approximately 55 and 68, respectively.

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to optimize the investment of its available funds. The Organization has various sources of liquidity at its disposal, including cash and cash equivalents, receivables, and investments.

In addition to financial assets available to meet general expenditures over the next 12 months, the Organization seeks to operate with a balanced budget and anticipates collecting sufficient revenue to cover expenditures not covered by donor-restricted resources.

**UNITED WAY, INC. D/B/A UNITED WAY OF  
SOUTHERN MAINE AND SUBSIDIARY**

**Notes to Consolidated Financial Statements**

**June 30, 2025 and 2024**

Financial assets available for general expenditure within one year of the date of the consolidated statements of financial position consist of the following:

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 1,570,776	\$ 2,536,780
Pledges receivable	2,241,365	2,278,236
Other receivables	498,427	882,662
Budgeted endowment draw	429,000	429,000
Beneficial interest in perpetual trusts	1,893,362	1,778,202
Long-term investments	<u>12,173,972</u>	<u>11,284,542</u>
<b>Total financial assets</b>	<b><u>18,806,902</u></b>	<b><u>19,189,422</u></b>
Less assets with restrictions		
Beneficial interest in perpetual trusts	(1,893,362)	(1,778,202)
Designated funds - out-of-area	(609,708)	(1,262,537)
Designated funds - local	(470,065)	(503,830)
Donor-restricted endowment funds	(4,956,553)	(4,632,605)
Board designated funds	(5,456,957)	(5,126,806)
Grant funds	(91,683)	(400,702)
211 Maine funds	<u>(300,305)</u>	<u>(373,229)</u>
	<b><u>(13,778,633)</u></b>	<b><u>(14,077,911)</u></b>
Financial assets available to meet cash needs for general expenditures within one year	<b><u>\$ 5,028,269</u></b>	<b><u>\$ 5,111,511</u></b>

The Organization maintains reserves in a range of between 15% and 25% of total expenses as determined by the previous year's audited financial statements. Additionally, by policy the lower limit on the range should not fall below 150% of the average monthly expenditures based on the past calendar year.

**3. Pledges Receivable**

The Organization serves and conducts its annual campaign in the Southern Maine region including Cumberland and York counties. The ability and willingness of individuals and corporations to honor their pledges are generally dependent on current economic conditions within the geographic area. The Organization estimates the allowance for uncollectible pledges using historical loss factors and current economic conditions. All pledges receivable are due in one year.

**UNITED WAY, INC. D/B/A UNITED WAY OF  
SOUTHERN MAINE AND SUBSIDIARY**

**Notes to Consolidated Financial Statements**

**June 30, 2025 and 2024**

As of June 30, the balance of pledges receivable, net of allowance for uncollectible pledges, by campaign year was as follows:

<b>2025</b>			
<u>Campaign Year</u>	<u>Gross Pledges Receivable</u>	<u>Allowance</u>	<u>Net Pledges Receivable</u>
2024	\$ 1,789,232	\$ 223,600	\$ 1,565,632
2023	471,449	371,449	100,000
2022	<u>187,955</u>	<u>187,955</u>	-
	2,448,636	783,004	1,665,632
Specific Care pledges	<u>645,062</u>	<u>69,329</u>	<u>575,733</u>
	<u>\$ 3,093,698</u>	<u>\$ 852,333</u>	<u>\$ 2,241,365</u>
<b>2024</b>			
<u>Campaign Year</u>	<u>Gross Pledges Receivable</u>	<u>Allowance</u>	<u>Net Pledges Receivable</u>
2024	\$ 150	\$ -	\$ 150
2023	1,832,131	215,311	1,616,820
2022	187,955	187,955	-
2021	<u>209,822</u>	<u>209,822</u>	-
	2,230,058	613,088	1,616,970
Specific Care pledges	<u>737,176</u>	<u>75,910</u>	<u>661,266</u>
	<u>\$ 2,967,234</u>	<u>\$ 688,998</u>	<u>\$ 2,278,236</u>

The Organization processes campaign pledges for other organizations outside the local service area as described in Note 1. Such Specific Care pledges are included in pledges receivable and designations payable in the accompanying consolidated statements of financial position.

**4. Investments and Endowments**

The Organization has interpreted the Uniform Prudent Management of Institutional Funds Act of the State of Maine to require appreciation on investments of contributions restricted by donors to be maintained in perpetuity, unless the donor has otherwise indicated in the gift instrument, to be considered donor restricted until appropriated by the Organization's Board.

**UNITED WAY, INC. D/B/A UNITED WAY OF  
SOUTHERN MAINE AND SUBSIDIARY**

**Notes to Consolidated Financial Statements**

**June 30, 2025 and 2024**

The long-term investments are governed by an investment policy and endowment spending policy as approved periodically by the Organization's Board. The investment policies include guidance on investment objectives, asset allocation, investment quality and diversification, and performance measurement and reporting. Such policies attempt to provide a predictable stream of funding to programs supported by the endowment while seeking to maintain the purchasing power of the endowment assets. Management continues appropriation from certain funds of perpetual duration as approved by the Board. The portfolio is invested in a manner that is intended to generate annual returns of the Consumer Price Index increase plus 5%, net of expenses, while assuming a moderate level of risk. The Board uses outside professionals to manage its investment portfolio. The Organization's target investment allocation is 75% equities and 25% fixed income. The endowment spending policy specifies a range of 3% to 5% of invested funds annually. Such spending totaled approximately \$392,000 and \$453,000 in fiscal years 2025 and 2024, respectively.

A summary of investments was as follows at June 30:

	<u>2025</u>	<u>2024</u>
U.S. Treasury notes and obligations of government agencies	\$ 1,309,086	\$ 687,486
Mutual funds - equity	10,712,929	10,234,083
Money market accounts	52,437	94,296
Corporate bonds	<u>99,520</u>	<u>268,677</u>
	<u>\$ 12,173,972</u>	<u>\$ 11,284,542</u>

Such investments were allocated as follows at June 30:

	<u>2025</u>	<u>2024</u>
United Way investments		
Net assets without donor restrictions	\$ 7,217,419	\$ 6,651,937
Net assets with donor restrictions (endowment)	<u>4,956,553</u>	<u>4,632,605</u>
	<u>\$ 12,173,972</u>	<u>\$ 11,284,542</u>

**UNITED WAY, INC. D/B/A UNITED WAY OF  
SOUTHERN MAINE AND SUBSIDIARY**

**Notes to Consolidated Financial Statements**

**June 30, 2025 and 2024**

The changes in United Way investment funds by net asset category were as follows for the years ended June 30, 2025 and 2024:

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
Balances, June 30, 2023	\$ 6,022,597	\$ 4,207,088	\$ 10,229,685
Net investment return	893,910	622,791	1,516,701
Appropriation for expenditure	<u>(264,570)</u>	<u>(197,274)</u>	<u>(461,844)</u>
Balances, June 30, 2024	6,651,937	4,632,605	11,284,542
Net investment return	<b>822,352</b>	<b>459,489</b>	<b>1,281,841</b>
Appropriation for expenditure	<u><b>(256,870)</b></u>	<u><b>(135,541)</b></u>	<u><b>(392,411)</b></u>
Balances, June 30, 2025	<u><b>\$ 7,217,419</b></u>	<u><b>\$ 4,956,553</b></u>	<u><b>\$ 12,173,972</b></u>

**5. Beneficial Interest in Perpetual Trusts**

The Organization is the income beneficiary of an irrevocable perpetual trust. These funds are held and controlled by Bank of America, as trustee. The Organization is entitled to 85% of the income from the trust. The Organization has recorded an asset in the consolidated statements of financial position at the present value of estimated future distributions which approximates the fair value of the Organization's share of trust assets at the date of the consolidated statement of financial position.

Effective with the merger, the Organization became a beneficiary under two irrevocable perpetual trusts. These funds are held and controlled by HM Payson, as trustee. The Organization is entitled to 16.67% and 10% of the fair value of the Levasseur and Ross trusts, respectively. Trust principal is not available to be spent, and as such the Organization is not permitted to spend the principal of the trusts, nor does it have control over the investment of the trust assets. The Organization has recorded an asset in the consolidated statements of financial position at the present value of estimated future distributions which approximates the fair value of the Organization's share of trust assets at the date of the consolidated statement of financial position.

**6. Net Assets**

Undesignated net assets are without donor restrictions and available for programs and support services of the Organization. The Board of Directors has designated net assets without donor restrictions for long-term purposes labeled above as endowment. The income earned on these investments is to be used for charitable purposes including initiatives.

**UNITED WAY, INC. D/B/A UNITED WAY OF  
SOUTHERN MAINE AND SUBSIDIARY**

**Notes to Consolidated Financial Statements**

**June 30, 2025 and 2024**

Net assets with donor restrictions temporary in nature were available for the following purposes at June 30:

	<u>2025</u>	<u>2024</u>
Campaign contributions	\$ 1,832,561	\$ 1,820,355
Endowment funds appreciation	2,967,804	2,643,856
Grant funds	91,683	400,702
211 Maine	<u>300,305</u>	<u>373,229</u>
	<u>\$ 5,192,353</u>	<u>\$ 5,238,142</u>

Campaign contributions and endowment funds are considered time restricted in nature.

Net assets maintained in perpetuity for which the income is with donor restrictions were as follows at June 30:

	<u>2025</u>	<u>2024</u>
Beneficial interest in perpetual trusts (Note 5)	\$ 1,893,362	\$ 1,778,202
Endowment funds	<u>1,988,749</u>	<u>1,988,749</u>
	<u>\$ 3,882,111</u>	<u>\$ 3,766,951</u>

**7. Employee Benefits**

The Organization has established a Tax Deferred Annuity Plan in accordance with Section 403(b) of the Internal Revenue Code (the Code), which covers all employees. Employees may elect to defer a portion of their compensation, of which a certain percentage (6% in 2025 and 2024) determined annually by the Board is matched dollar-for-dollar by the Organization. In addition, the Plan provides for discretionary contributions by the Organization. The amounts deferred by the employee vest immediately and the Organization's contributions vest over a four-year period. The Organization's contribution to the Plan in 2025 and 2024 was \$153,152 and \$138,553, respectively.

**UNITED WAY, INC. D/B/A UNITED WAY OF  
SOUTHERN MAINE AND SUBSIDIARY**

**Notes to Consolidated Financial Statements**

**June 30, 2025 and 2024**

**8. Leases**

The Organization leases buildings and land under noncancelable operating leases expiring in various dates through 2035. The monthly lease payments range from \$12,932 to \$13,185 through the end of the lease terms. Some leases do not require monthly payments and are paid quarterly. The following table presents the right-of-use assets and lease liabilities as of June 30:

	<u>2025</u>	<u>2024</u>
Assets		
Right-of-use assets, operating leases	<u>\$ 1,487,620</u>	<u>\$ 1,611,272</u>
Liabilities		
Lease liabilities, operating leases	<u>\$ 1,537,007</u>	<u>\$ 1,647,203</u>
Weighted-average discount rate	<b>3.0 %</b>	3.0 %
Weighted-average remaining lease term	<b>10.2</b>	10.9

Expense under the operating leases was \$157,718 and \$181,091 for the years ended June 30, 2025 and 2024, respectively, which approximated the cash paid for operating leases.

The maturity analysis of the annual undiscounted cash flows reconciled to the carrying value of the operating lease liabilities are as follows for the years ending June 30:

2026		\$	160,806
2027			163,956
2028			167,168
2029			170,445
2030			173,787
Thereafter			<u>953,483</u>
			1,789,645
Less present value discount			<u>(252,638)</u>
			<u>\$ 1,537,007</u>

**9. Income Taxes**

United Way and 211 Maine are not-for-profit corporations as described in Section 501(c)(3) of the Code and as such are exempt from federal and state income taxes.

Management has evaluated the United Way and 211 Maine's tax positions and concluded that they have maintained their tax-exempt status, do not have any significant unrelated business income, and have taken no uncertain tax positions that require adjustment to the consolidated financial statements.

**UNITED WAY, INC. D/B/A UNITED WAY OF  
SOUTHERN MAINE AND SUBSIDIARY**

**Notes to Consolidated Financial Statements**

**June 30, 2025 and 2024**

**10. Volunteer Services (Unaudited)**

During the years ended June 30, 2025 and 2024, volunteers provided 10,206 and 10,074 hours of service to Organization programs, respectively. The volunteers provide various nonspecialized services to the Organization, none of which have been recognized as revenue or expense in the consolidated statements of activities.

**11. Concentrations of Credit Risk**

The Organization maintains its cash balances at a financial institution that, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts. The Organization believes it is not exposed to any significant risk on cash and cash equivalents.

**12. Commitment**

211 Maine has an agreement with The Opportunity Alliance, a nonprofit corporation, through June 30, 2026 (subject to termination by either party in certain events). The Opportunity Alliance provides call center services and other administrative services for 211 Maine. Expenses for these services totaled \$1,386,905 and \$1,595,720 in fiscal years 2025 and 2024, respectively. At June 30, 2025 and 2024, 211 Maine owed The Opportunity Alliance \$87,688 and \$131,603, respectively, which is included in accounts payable and accrued expenses in the consolidated statements of financial position.

**13. Contracts**

211 Maine enters into contracts with the State. Revenues related to the contracts approximated \$974,000 and \$1,246,000 in 2025 and 2024, respectively. As of July 1, 2024, 211 Maine entered into a contract with the State through June 30, 2026 with a committed amount up to \$2,120,462 for services to be provided by 211 Maine.

**14. Fair Value Measurement**

FASB Accounting Standards Codification (ASC) Topic 820, *Fair Value Measurement*, defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. FASB ASC Topic 820 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

**Level 1:** Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

**Level 2:** Significant other observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, and other inputs that are observable or can be corroborated by observable market data.

**UNITED WAY, INC. D/B/A UNITED WAY OF  
SOUTHERN MAINE AND SUBSIDIARY**

**Notes to Consolidated Financial Statements**

**June 30, 2025 and 2024**

**Level 3:** Significant unobservable inputs that reflect an entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

Assets measured at fair value on a recurring basis are summarized below.

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
<b>2025</b>				
Investments:				
U.S. Treasury notes and obligations of government agencies	\$ 1,309,086	\$ -	\$ 1,309,086	\$ -
Mutual funds				
Foreign equity funds	1,266,100	1,266,100	-	-
Domestic equity funds	9,446,829	9,446,829	-	-
Money market accounts	52,437	52,437	-	-
Corporate bonds	<u>99,520</u>	<u>-</u>	<u>99,520</u>	<u>-</u>
Total investments	<u>\$ 12,173,972</u>	<u>\$ 10,765,366</u>	<u>\$ 1,408,606</u>	<u>\$ -</u>
Beneficial interest in perpetual trusts	<u>\$ 1,893,362</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,893,362</u>
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
<b>2024</b>				
Investments:				
U.S. Treasury notes and obligations of government agencies	\$ 687,486	\$ -	\$ 687,486	\$ -
Mutual funds				
Foreign equity funds	1,780,237	1,780,237	-	-
Domestic equity funds	8,453,846	8,453,846	-	-
Money market accounts	94,296	94,296	-	-
Corporate bonds	<u>268,677</u>	<u>-</u>	<u>268,677</u>	<u>-</u>
Total investments	<u>\$ 11,284,542</u>	<u>\$ 10,328,379</u>	<u>\$ 956,163</u>	<u>\$ -</u>
Beneficial interest in perpetual trust	<u>\$ 1,778,202</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,778,202</u>

Level 2 measurements consist of corporate bonds and government obligations valued based on quoted prices for similar assets.

The Level 3 beneficial interest in perpetual trusts is valued based on the present value of expected cash flows using quoted market prices of the assets in the trusts multiplied by the Organization's share of the trusts.

## **SUPPLEMENTARY INFORMATION**

**UNITED WAY, INC. D/B/A UNITED WAY OF  
SOUTHERN MAINE AND SUBSIDIARY**

**Consolidating Statement of Financial Position**

**June 30, 2025**

**ASSETS**

	United Way, Inc.	211 Maine, Inc.	Eliminations	Consolidated
Cash and cash equivalents	\$ 953,180	\$ 617,596	\$ -	\$ 1,570,776
Pledges receivable, net	2,241,365	-	-	2,241,365
Other receivables	272,517	230,440	(4,530)	498,427
Other assets	94,902	1,412	-	96,314
Long-term investments	12,173,972	-	-	12,173,972
Beneficial interest in perpetual trusts	1,893,362	-	-	1,893,362
Right-of-use assets, operating leases	1,487,620	-	-	1,487,620
Equipment, net of accumulated depreciation	<u>343,813</u>	<u>-</u>	<u>-</u>	<u>343,813</u>
 Total assets	 <u>\$ 19,460,731</u>	 <u>\$ 849,448</u>	 <u>\$ (4,530)</u>	 <u>\$ 20,305,649</u>

**LIABILITIES AND NET ASSETS**

<b>Liabilities</b>				
Accounts payable and accrued liabilities	\$ 631,401	\$ 544,613	\$ -	\$ 1,176,014
Designations payable	956,629	-	-	956,629
Lease liabilities, operating leases	1,537,007	-	-	1,537,007
Other liabilities	<u>-</u>	<u>4,530</u>	<u>(4,530)</u>	<u>-</u>
 Total liabilities	 <u>3,125,037</u>	 <u>549,143</u>	 <u>(4,530)</u>	 <u>3,669,650</u>
 <b>Net assets</b>				
Without donor restrictions				
Undesignated	2,104,578	-	-	2,104,578
Board designated	<u>5,456,957</u>	<u>-</u>	<u>-</u>	<u>5,456,957</u>
 Total without donor restrictions	 7,561,535	 -	 -	 7,561,535
 With donor restrictions	 <u>8,774,159</u>	 <u>300,305</u>	 <u>-</u>	 <u>9,074,464</u>
 Total net assets	 <u>16,335,694</u>	 <u>300,305</u>	 <u>-</u>	 <u>16,635,999</u>
 Total liabilities and net assets	 <u>\$ 19,460,731</u>	 <u>\$ 849,448</u>	 <u>\$ (4,530)</u>	 <u>\$ 20,305,649</u>

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

**UNITED WAY, INC. D/B/A UNITED WAY OF  
SOUTHERN MAINE AND SUBSIDIARY**

**Consolidating Statement of Activities**

**Year Ended June 30, 2025**

	United Way, Inc.			211 Maine, Inc.	Eliminations	Total
	Without Donor Restrictions	With Donor Restrictions	Total			
Campaign results	\$ -	\$ 6,528,905	\$ 6,528,905	\$ -	\$ -	\$ 6,528,905
Less donor designations to other organizations, net	-	(782,657)	(782,657)	-	-	(782,657)
Less provision for uncollectible pledges	-	(350,937)	(350,937)	-	-	(350,937)
Net campaign results	-	5,395,311	5,395,311	-	-	5,395,311
Revenue, gains, and other support						
Net assets released from restriction						
2024 campaign	2,767,026	(2,767,026)	-	-	-	-
2023 campaign	2,806,045	(2,806,045)	-	-	-	-
Gifts and bequests	230,721	-	230,721	-	-	230,721
Grant and contract revenue	-	1,889,999	1,889,999	1,350,560	(207,925)	3,032,634
Service fees	189,782	-	189,782	57,763	-	247,545
Investment income	267,604	69,412	337,016	-	-	337,016
Realized an unrealized gains on investments	608,986	420,897	1,029,883	-	-	1,029,883
Miscellaneous	64,992	-	64,992	11,113	-	76,105
Other net assets released from restriction	2,175,413	(2,175,413)	-	-	-	-
Gain on perpetual trusts	-	115,160	115,160	-	-	115,160
Total revenues	9,110,569	142,295	9,252,864	1,419,436	(207,925)	10,464,375
Expenses						
Agency investments/awards	3,032,446	-	3,032,446	-	-	3,032,446
Less donor designations, net	(824,547)	-	(824,547)	-	-	(824,547)
Community impact	4,521,009	-	4,521,009	-	(207,925)	4,313,084
211 Maine	-	-	-	1,492,360	-	1,492,360
Total program services	6,728,908	-	6,728,908	1,492,360	(207,925)	8,013,343
Supporting services - management and general and fundraising	2,423,055	-	2,423,055	-	-	2,423,055
Total expenses	9,151,963	-	9,151,963	1,492,360	(207,925)	10,436,398
Change in net assets	(41,394)	142,295	100,901	(72,924)	-	27,977
Net assets, beginning of year	7,602,929	8,631,864	16,234,793	373,229	-	16,608,022
Net assets, end of year	\$ 7,561,535	\$ 8,774,159	\$ 16,335,694	\$ 300,305	\$ -	\$ 16,635,999