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United Way

United Way of Eastern Maine

FINANCIAL STATEMENTS
June 30, 2021
(With comparative totals for June 30, 2020)

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
United Way of Eastern Maine

We have audited the accompanying financial statements of United Way of Eastern Maine (a nonprofit organization), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way of Eastern Maine as of June 30, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited United Way of Eastern Maine's 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 30, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Runyon Kersteen Ouellette

January 20, 2022
South Portland, Maine

UNITED WAY OF EASTERN MAINE
Statements of Financial Position
June 30, 2021
(With comparative totals for June 30, 2020)

		2021	2020
ASSETS			
Cash and cash equivalents	$	376,791	344,808
Pledges receivable, net		454,604	472,734
Other receivables		53,426	105,247
Prepaid expenses		26,210	21,613
Investments		4,624,855	790,506
Equipment, net		10,639	17,151
Cash surrender value of life insurance		7,424	7,309
Beneficial interest in perpetual trusts		451,865	370,005
Beneficial interest in assets held by Maine Community Foundation (MCF)		-	3,157,364
Total assets	**$**	**6,005,814**	**5,286,737**
LIABILITIES			
Accounts payable	$	23,906	13,220
Allocations payable		338,769	350,135
Designations payable		234,328	188,343
Accrued expenses		34,612	37,628
Capital lease obligation		4,418	7,389
Total liabilities		636,033	596,715
NET ASSETS			
Without donor restrictions:			
Designated for:			
Charles F. Bragg 2nd Society Fund		225,123	183,810
Stabilization reserve		747,081	684,996
Future allocations and community investments		22,733	117,183
Undesignated		71,102	34,277
Total net assets without donor restrictions		1,066,039	1,020,266
With donor restrictions:			
Campaign contributions for future periods and funds restricted for purpose		472,935	405,657
Other contributions for future periods		2,624	3,140
Charles F. Bragg 2nd Society fund unappropriated appreciation		1,025,697	540,333
Beneficial interests in perpetual trust funds		451,865	370,005
Charles F. Bragg 2nd Society Fund, corpus		2,350,621	2,350,621
Total net assets with donor restrictions		4,303,742	3,669,756
Total net assets		5,369,781	4,690,022
Total liabilities and net assets	**$**	**6,005,814**	**5,286,737**

See independent auditor's report and accompanying notes to financial statements.

UNITED WAY OF EASTERN MAINE
Statement of Activities
For the Year Ended June 30, 2021
(With comparative totals for the year ended June 30, 2020)

		2021			
		Without donor restrictions	**With donor restrictions**	**Total**	**2020 Totals**
Public Support and revenues:					
Gross campaign results	$	-	1,593,125	1,593,125	1,661,997
Less: donor designations		-	(318,282)	(318,282)	(495,619)
Less: provision for uncollectibles		-	(105,098)	(105,098)	(72,218)
Net campaign revenue		-	1,169,745	1,169,745	1,094,160
Government grants		-	127,213	127,213	140,676
Special events, net of expenses of $5,719 and $26,417 in 2021 and 2020, respectively		(2,127)	-	(2,127)	477,225
Sponsorships			40,350	40,350	7,775
Other contributions, grants, and bequests		-	159,589	159,589	124,046
In-kind revenues		-	528,280	528,280	22,097
Total public support and revenues		(2,127)	2,025,177	2,023,050	1,865,979
Revenues, gains and other support:					
Service fees		45,906	-	45,906	74,521
Perpetual trust beneficiary income		17,196	-	17,196	14,299
Endowment income distributed		130,404	-	130,404	128,600
Investment income, net		39,225	30,691	69,916	26,992
Realized and unrealized (loss) gain on investments		38,616	574,578	613,194	(19,091)
Change in value of assets held by MCF		-	-	-	(103,158)
Change in value of perpetual trusts		-	81,860	81,860	988
Other income		50	-	50	1,412
Net assets released from restrictions		2,078,320	(2,078,320)	-	-
Total revenues, gains and other support		2,349,717	(1,391,191)	958,526	124,563
Total revenues		2,347,590	633,986	2,981,576	1,990,542
Expenses:					
Program services		1,646,313	-	1,646,313	1,596,279
Management and general		63,122	-	63,122	84,983
Fundraising		592,382	-	592,382	446,489
Total expenses		2,301,817	-	2,301,817	2,127,751
Changes in net assets		45,773	633,986	679,759	(137,209)
Net assets, beginning of year		1,020,266	3,669,756	4,690,022	4,827,231
Net assets, end of year	**$**	**1,066,039**	**4,303,742**	**5,369,781**	**4,690,022**

See independent auditor's report and accompanying notes to financial statements.

UNITED WAY OF EASTERN MAINE
Statement of Functional Expenses
For the Year Ended June 30, 2021
(With comparative totals for the year ended June 30, 2020)

		2021							
		Program services				Supporting services			
					Total	Management			2020
		Education	Income	Health	Programs	and general	Fundraising	Totals	Totals
Member Agencies:									
Gross funds awarded/distributed	$	198,851	555,591	233,132	987,574	-	-	987,574	1,195,889
Less: donor designations		(64,087)	(179,059)	(75,135)	(318,281)	-	-	(318,281)	(495,618)
Net funds awarded/distributed		134,764	376,532	157,997	669,293	-	-	669,293	700,271
Other agency amounts:									
In-kind		-	604,788	-	604,788	-	-	604,788	11,225
Other amounts		-	-	-	-	-	-	-	451,088
Total other agency		-	604,788	-	604,788	-	-	604,788	462,313
General Support:									
Salaries and wages		40,315	56,883	38,491	135,689	139,075	248,444	523,208	503,959
Benefits		5,792	8,171	5,530	19,493	19,979	35,691	75,163	82,152
Payroll taxes		2,866	4,169	2,737	9,772	11,547	18,479	39,798	38,165
Total salaries and benefits		48,973	69,223	46,758	164,954	170,601	302,614	638,169	624,276
Professional fees		52,289	9,027	5,027	66,343	80,717	23,040	170,100	136,875
Bank and credit card fees		149	149	149	447	2,027	2,252	4,726	13,683
Office supplies		22	247	22	291	9,672	-	9,963	19,506
Telephone and internet		194	48	-	242	7,056	-	7,298	8,453
Postage		-	123	-	123	1,312	2,200	3,635	3,845
Volunteer/agency meetings		112	1,617	81	1,810	1,934	539	4,283	4,667
Staff travel		7	231	7	245	190	221	656	4,870
Staff training		2,564	2,564	2,564	7,692	3,024	125	10,841	15,909
Dues and subscriptions		37	37	37	111	2,352	40	2,503	2,661
Rent		-	-	-	-	30,402	-	30,402	33,767
Occupancy / utilities		49	146	-	195	26,631	-	26,826	21,695
Insurance, property and liability		-	-	-	-	5,756	324	6,080	5,900
Miscellaneous expense		5	108	5	118	478	-	596	-
UWW dues		-	-	-	-	25,887	-	25,887	18,781
Marketing and media		4,966	3,389	2,813	11,168	1,461	40,257	52,886	20,422
Licenses and fees		930	1,021	930	2,881	18,276	3,647	24,804	20,459
Depreciation		-	-	-	-	7,606	-	7,606	8,880
Interest		-	-	-	-	475	-	475	518
Allocation of administration		30,734	57,475	27,403	115,612	(332,735)	217,123	-	-
Total other expenses		92,058	76,182	39,038	207,278	(107,479)	289,768	389,567	340,891
Total general support		141,031	145,405	85,796	372,232	63,122	592,382	1,027,736	965,167
Total expenses	**$**	**275,795**	**1,126,725**	**243,793**	**1,646,313**	**63,122**	**592,382**	**2,301,817**	**2,127,751**

See independent auditor's report and accompanying notes to financial statements.

UNITED WAY OF EASTERN MAINE
Statements of Cash Flows
For the Year Ended June 30, 2021
(With comparative totals for the year ended June 30, 2020)

		2021	2020
Cash flows from operating activities:			
Change in net assets	$	679,759	(137,209)
Adjustments to reconcile change in net assets to net cash and cash equivalents provided by (used in) operating activities:			
Depreciation		7,606	8,880
Change in allowance for pledges receivable		2,007	2,007
Net realized and unrealized loss (gain) on investments		(613,194)	19,091
Change in value of assets held by MCF		-	93,191
Change in value of perpetual trusts		(81,860)	(988)
Change in cash surrender value of life insurance		(115)	(335)
Decrease (increase) in assets:			
Accounts receivable		51,821	(61,207)
Pledges receivable		16,123	21,157
Prepaid expenses		(4,597)	9,246
Increase (decrease) in liabilities:			
Accounts payable		10,686	(13,011)
Allocations payable		(11,366)	-
Designations payable		45,985	14,133
Accrued expenses		(3,016)	13,209
Deferred revenue		-	(1,000)
Net cash and cash equivalents provided by (used in) operating activities		99,839	(32,836)
Cash flows from investing activities:			
Purchase of property and equipment		(1,095)	(2,100)
Purchase of investments		(4,066,416)	(168,286)
Proceeds from sale of investments		4,002,626	140,020
Net cash and cash equivalents used in investing activities		(64,885)	(30,366)
Cash flows from financing activities:			
Principal payments on capital lease obligation		(2,971)	(2,855)
Net cash and cash equivalents used in financing activities		(2,971)	(2,855)
Net change in cash and cash equivalents		31,983	(66,057)
Cash and cash equivalents at beginning of year		344,808	410,865
Cash and cash equivalents at end of year	**$**	**376,791**	**344,808**
Supplemental disclosure of cash flow activity:			
Cash paid for interest	**$**	**475**	**518**

See independent auditor's report and accompanying notes to financial statements.

NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization - The United Way of Eastern Maine (the Organization) is a not-for-profit organization that was founded in 1937, and is governed by a volunteer Board of Directors. The purposes of the Organization are:

1. To improve our community through education, income (financial stability), and health. Through these three building blocks, we see families and individuals tackle crises, turn challenges around, become self-sufficient, and strive to be better citizens and foster a safe and healthy home for everyone.

2. In 2018, the Board of Directors adopted Opportunity 2028 to more specifically advance education, income, and health, through a series of bold goals and a 10-year plan for community change. The Organization's work in each of the three areas is focused in the following ways: early childhood development (education), basic needs (income), and reducing substance use disorder (health).

3. To serve as a catalyst for helping solve community health and human care problems through periodically assessing the need for various services, assisting in the development of human service programs, prompting preventive activities, fostering cooperation among agencies serving the community, and other similar programs and activities as may be determined by the Board of Directors.

4. To encourage collaboration and deploy financial support and volunteer resources to maximize the effectiveness of health and human service agencies and to support the Organization's work to build stronger and healthier communities.

5. To conduct a single, community-wide, fundraising campaign annually and develop as fully as possible the financial resources needed to meet the human care needs of the community.

6. To mobilize a systematic communications program that promotes community support for and commitment to the entire United Way program and which both speaks and listens to the citizens, agencies, and donors.

7. To receive by gift, grant, devise, bequest or otherwise, and from any private or public sources, personal or real property, and to hold, administer, sell, invest, reinvest, manage, use, disburse and distribute, and apply the income and/or principal of the same in accordance with the directions and intent of the donor or donors of such property, or in the absence of such directions, as the Organization may deem best from time to time, for the promotion of any or all of the foregoing purposes and objectives.

8. To engage in any other lawful activity, either alone or in cooperation with other organizations or institutions, which it may deem necessary or proper in order to carry out any or all of the foregoing objectives or purposes.

Basis of Accounting - The Organization prepares its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Accordingly, revenues and gains are reported when earned and expenses and losses are recorded when incurred.

Basis of Presentation - The Organization reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets with donor restrictions and net assets without donor restrictions.

NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Net assets without donor restrictions are resources available to support operations and are not subject to donor imposed restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the organization, the environment in which it operates, the purposes specified in its corporate documents, and its application for tax-exempt status. The governing board has designated a portion of net assets without donor restrictions as net assets for long-term investment.

Net assets with donor restrictions are subject to donor-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. The Organization's unspent contributions are reported in net assets with donor restrictions if the donor limits their use. Contributions of property and equipment or cash restricted to acquisition of property and equipment are reported as net assets with donor restrictions if the donor has restricted the use of the property or equipment to a particular program. These restrictions expire when the assets are placed in service.

Cash and Cash Equivalents - For purposes of the statements of cash flows, the Organization considers highly liquid debt instruments, other than those classified as investments, purchased with a maturity of three months or less, to be cash equivalents.

Investments - Investments are reflected on the statement of financial position at fair value with changes in unrealized gains and losses resulting from changes in fair value reflected in the statement of activities. Investments in securities traded on a national securities exchange are stated at the closing price on the day of valuation.

Equipment - Equipment is carried at cost if purchased, or fair market value at the date of gift if donated. The Organization’s policy is to capitalize costs for major improvements over $1,000 and charge repairs and maintenance currently for costs that do not extend the lives of the related asset. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets, which range from 3 to 10 years. Depreciation expense for the years ended June 30, 2021 and 2020 totaled $7,606 and $8,880, respectively.

Allocations Payable - Organizations receive funding based on a June year-end, and the amount committed for the next 6 months is reflected as an allocation payable to them since it is deemed to result from the current campaign. The balance of the funding is deemed to result from the next year’s campaign.

Comparative Financial Information - The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization’s financial statements for the year ended June 30, 2020, from which the summarized information was derived.

NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Contributed Revenue, Support and Expenses - Contributions and pledges received are recorded as revenues with or without donor restrictions depending on the existence and/or nature of any donor restrictions. Expenses are reported as decreases in net assets without donor restrictions. Donations of marketable securities or other non-cash assets are recorded at fair value as of the date the item is received. Contributions of cash that must be used to acquire equipment are reported as revenues with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the acquired asset is placed in service as instructed by the donor. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Pass-through Revenues Designated - The financial statements have excluded amounts that were raised for organizations specifically designated by the donors from the revenue campaign. The same amount is also excluded from program service expenses. Amounts received but not yet distributed are reflected as designations payable in the financial statements.

In-Kind Revenues - Historically, in-kind revenue consisted primarily of donated food, which was solicited during the large-scale food drive that occurs during the spring months. During the year ended June 30, 2020, the COVID-19 pandemic prohibited those activities from occurring, which resulted in a significant decrease in the overall amount of food raised. The Organization has remained committed to combating food insecurity and many of the grants from the COVID relief funds were targeted at this critical issue. As anticipated, safety protocols have allowed for these activities to resume during the year ended June 30, 2021.

Donated Services - Contributed professional services are recognized if the services received (a) create or enhance long-lived assets or (b) require specialized skills and are provided by individuals possessing those skills that would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at fair market value when received. The amounts reflected in the accompanying financial statements as in-kind support are offset by like amounts included in expenses.

Additionally, a number of volunteers have donated their time to the Organization's activities, but these services do not meet the two recognition criteria described above. Accordingly, the value of this contribution for the years ended June 30, 2021 and 2020 has not been reflected in the accompanying financial statements.

Functional Allocation of Expenses - The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited, based on internal accounting data and estimates made by management.

Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Income Taxes - The Organization qualifies as an exempt charitable organization under Section 501(c)(3) of the Internal Revenue Service Code and is exempt from income or excise taxes. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(1) of the Code.

Accounting principles generally accepted in the United States of America requires management to evaluate tax positions taken by the Organization and recognize a tax liability if the Organization has taken an uncertain tax position that more likely than not would not be sustained upon examination by the Internal Revenue Service and state taxing authorities. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

New Accounting Pronouncements - In February 2016, the FASB issued ASU No. 2016-02 *Leases (Topic 842).* Under ASU 2016-02, at the commencement of a long-term lease (greater than 12 months), the lessees will recognize a liability equivalent to the discounted payments due under the lease agreement, as well as an offsetting right-of-use asset. Application of this standard must be applied using a modified retrospective transition approach for leases existing at the earliest comparative period presented in the financial statements. Recently, the FASB issued ASU No. 2020-05, which delays the implementation date of ASU 2016-02, and revises the effective date for nonprofit organizations to be fiscal years beginning after December 15, 2021. The Organization is currently evaluating the impact of this ASU on the financial statements.

During the year ended June 30, 2021, the Organization adopted the provisions of ASU 2014-09 *Revenue from Contracts with Customers* (Topic 606), which establishes the principles to report useful information about the nature, timing, and uncertainty of revenue from contracts with customers.

Reclassifications - Certain prior year balances have been reclassified to correspond to the current year presentation. Such reclassifications had no effect on the results of operations as previously presented.

CONCENTRATIONS OF CREDIT RISK ARISING FROM CASH DEPOSITS IN EXCESS OF INSURED LIMITS

The Organization maintains its cash balances at a local financial institution located in Maine. The balances are insured by the Federal Deposit Insurance Corporation up to $250,000. At June 30, 2021 and 2020, the Organization's cash and cash equivalents exceeded federally insured limits by $180,768 and $106,507, respectively. The Organization has not experienced any losses in these accounts and believes that it is not exposed to any significant risk with regard to its cash or cash equivalents.

PLEDGES RECEIVABLE

Pledges receivable are presented net of allowance for uncollectible pledges, calculated based on a three-year historical average of gross campaign results adjusted by management estimates of current economic factors. Substantially all pledges are expected to be received in one year or less. The following schedule summarizes net pledges receivable at June 30:

	2021	2020
Pledges receivable	$ 554,054	572,884
Less: allowance for uncollectible pledges	(99,450)	(100,150)
Pledges receivable, net	**$ 454,604**	**472,734**

The following schedule summarizes the results of the annual campaigns for the fiscal years ended June 30:

	2021	2020
2020 Campaign	$ 1,593,125	-
2019 Campaign	-	1,661,997
Total campaign results	1,593,125	1,661,997
Less: designations	(318,282)	(495,619)
Less: uncollectible pledges	(105,098)	(72,218)
Net campaign results	**$ 1,169,745**	**1,094,160**

INVESTMENTS

Investments are separated into short-term and long-term categories. The Organization records investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statement of activities. Investments, at fair value, are classified in the statement of financial position as follows at June 30:

	2021	2020
Cash and money market funds	$ 18,492	112,143
Corporate bonds	-	27,719
Corporate equities	1,998,890	107,979
Exchange traded funds	1,327,827	75,900
Mutual funds	1,279,646	466,765
Total investments	**$ 4,624,855**	**790,506**

As discussed in the "Transfers of Assets to a Recipient Organization" footnote, during the year ended June 30, 2021 the Organization transferred all funds held by the Maine Community Foundation to another investment manager. As a result, these funds are presented on the statements of financial position as investments for the year ended June 30, 2021 and as beneficial interest in assets held by the Maine Community Foundation (MCF) for the year ended June 30, 2020.

BENEFICIAL INTERESTS IN PERPETUAL TRUSTS

The Organization is a beneficiary of three perpetual irrevocable trusts held and administered by independent trustees. Under the terms of the trusts, the Organization has legally enforceable rights and claims relating to such assets, including the sole right to income earned on the trust assets in perpetuity. The fair value of the beneficial interest in a trust is recognized as an asset and as a contribution with donor restrictions at the date the trust is established. The Organization's estimate of fair value at each reporting date is based on fair value information about the trust's assets received from the trustees. Net realized and unrealized gains (losses) and undistributed investment income, net of trust management fees related to the beneficial interests, are reported as changes in net assets with donor restrictions that are permanent in nature based on explicit donor stipulations. Distributions received during the year from the various trusts are recorded as increases in net assets without donor restrictions based on donor stipulations. The fair values of the beneficial interests in perpetual trusts amounted to $451,865 and $370,005 at June 30, 2021 and 2020, respectively. Total distributions received from these trusts amounted to $17,196 and $14,299 during the years ended June 30, 2021 and 2020, respectively.

TRANSFERS OF ASSETS TO A RECIPIENT ORGANIZATION

The Organization transferred assets to the Maine Community Foundation (recipient organization), specifying itself as the sole beneficiary. The purpose of these asset transfers is for the Maine Community Foundation to invest the assets and generate income to be distributed to the Organization under the guidelines of the agreement. Variance power was granted to the Maine Community Foundation. The Board of Directors of the Maine Community Foundation shall have the power to modify, consistent with state law, including seeking approval of the appropriate court or Attorney General, where applicable, any restriction or condition on the distribution of funds for any specified organization if, in the sole judgement of the Board, (without the necessity of the approval of any participating trustee, custodian, or agent), such restrictions or condition becomes, in effect, unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community.

The aggregate amount of cumulative transfers plus related earnings recognized in the statement of financial position at June 30, 2020 was $3,157,364. During the year ended June 30, 2021, the Organization withdrew all assets previously transferred to the Maine Community Foundation, and deposited them with a different investment manager. As of June 30, 2021, the Organization no longer had any cumulative transfers of assets to a recipient organization.

ENDOWMENT

At June 30, 2021 and 2020, the Organization held donor-restricted endowments of $3,376,318 and $2,890,954 and Board-designated endowments of $225,123 and $183,810, respectively. The purpose of these endowment funds is to provide investment income and gains to further various activities of the Organization's programs. The Organization follows the provisions of FASB ASC 958-205-50-1A *Reporting Endowment Funds.* Under this guidance, the Organization is required to classify and report net assets associated with endowment funds, including those designated by the Board of Directors to function as endowments, based on the existence or absence of donor-imposed restrictions. The Organization is also required to provide the following disclosures relating to its endowment activities.

ENDOWMENT, CONTINUED

Interpretation of Relevant Law - United Way of Eastern Maine conducts its activities in Bangor, Maine, and accordingly, considers itself bound by the version of the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") adopted by the State of Maine's legislature. In accordance with that statute, the Organization has interpreted State law to require all net investment income on investments with donor-imposed restrictions that are perpetual in nature to be restricted until appropriated by the Board of Directors. Accordingly, except for explicit donor stipulations specifying reinvestment of some or all of investment return, net return on investment of endowment funds with donor-imposed restrictions that are perpetual in nature, is available for appropriation and is reported as increases (decreases) in net assets with donor restrictions, in accordance with the donor's stipulations, if any, concerning the purposes for which ordinary income may be used.

Absent explicit donor stipulations to the contrary, the Organization has interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds. As a result of this interpretation, the Organization retains in perpetuity and classifies as net assets with donor restrictions (1) the original value of gifts donated to the perpetual endowment, (2) the original value of subsequent gifts to the perpetual endowment, and (3) accumulations to the perpetual endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not retained in perpetuity are subject to appropriation for expenditure by the Organization in a manner consistent with the standard of prudence by UPMIFA. In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the fund, (2) purposes of the Organization and the donor-restricted endowment fund, (3) general economic conditions, (4) possible effects of inflation and deflation, (5) expected total return from income and the appreciation of investments, (6) other resources of the Organization, (7) the Organization’s investment policies.

Endowment Spending Policy - The Organization has a policy of appropriating for distribution each year no more than 4% of the endowment funds’ average fair value over the prior 12 calendar quarters. Over the long term, the Organization expects its current spending policy to allow its endowments to grow.

From time to time, certain donor-restricted endowment funds may have fair values that are less than the amount required to be maintained by donors or by law (underwater endowments). For endowed funds that are below their historic gift value, spending is reduced to 2.5% to allow the funds to recover the amount below the historic gift value.

Endowment Investment Policy - The Organization’s investment policies for endowment assets attempt to provide a predictable stream of funding for its programs while seeking to maintain the purchasing power of the endowment assets. The Organization invests the endowment assets to provide a reasonable, prudent balance between risk and return. The Organization expects its endowment funds, over time, to produce an average rate of more than 5% annually. Actual returns in any given year may vary from this amount.

To satisfy its long-term rate of return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places a greater emphasis upon equity-based investments to achieve its long-term objectives within prudent risk constraints.

ENDOWMENT, CONTINUED

The Organization's endowment balances were comprised of the following at June 30, 2021:

	Without donor restrictions	With donor restrictions	Totals
Board-designated	$ 225,123	-	225,123
Donor-restricted endowments:			
Original donor-restricted gift and amounts required to be maintained in perpetuity	-	2,350,621	2,350,621
Accumulated investment gains	-	1,025,697	1,025,697
Totals	**$ 225,123**	**3,376,318**	**3,601,441**

The changes in the Organization's endowment balances for the year ended June 30, 2021 were as follows:

	Without donor restrictions	With donor restrictions	Totals
Endowment net assets, beginning of year	$ 183,810	2,890,954	3,074,764
Contributions	-	-	-
Investment return, net	51,812	605,269	657,081
Amounts appropriated for expenditure	(60,499)	(119,905)	(180,404)
Other transfers	50,000	-	50,000
Endowment net assets, end of year	**$ 225,123**	**3,376,318**	**3,601,441**

ENDOWMENT, CONTINUED

The Organization's endowment balances were comprised of the following at June 30, 2020:

	Without donor restrictions	With donor restrictions	Totals
Board-designated	$ 183,810	-	183,810
Donor-restricted endowments:			
Original donor-restricted gift and amounts required to be maintained in perpetuity	-	2,350,621	2,350,621
Accumulated investment gains	-	540,333	540,333
Totals	**$ 183,810**	**2,890,954**	**3,074,764**

The changes in the Organization's endowment balances for the year ended June 30, 2020 were as follows:

	Without donor restrictions	With donor restrictions	Totals
Endowment net assets, beginning of year	$ 188,508	2,985,547	3,174,055
Contributions	9,967	-	9,967
Investment return, net	1,865	23,577	25,442
Amounts appropriated for expenditure	(10,430)	(118,170)	(128,600)
Other Transfers	(6,100)	-	(6,100)
Endowment net assets, end of year	**$ 183,810**	**2,890,954**	**3,074,764**

ASSETS MEASURED AT FAIR VALUE ON A RECURRING BASIS

In accordance with FASB ASC 820-10 Fair Value Measurements, the Organization is required to disclose for its assets and liabilities measured at fair value on a recurring basis the inputs used to determine those fair value measurements. The guidance provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3).

The three levels of the fair value hierarchy are as follows:

- *Level 1*: Level 1 inputs are quoted prices in active markets for identical assets and liabilities that an entity has the ability to access at a measurement date.
- *Level 2*: Level 2 inputs are inputs other than quoted prices that are observable for the specific asset or liability, either directly or indirectly.
- *Level 3*: Level 3 inputs are unobservable inputs for the asset or liability in which little or no market activity is available for the asset or liability at the measurement date.

ASSETS MEASURED AT FAIR VALUE ON A RECURRING BASIS, CONTINUED

The following is a description of the valuation methodologies used for level 2 assets measured at fair value. There have been no changes in the methodologies used at June 30, 2021 and 2020.

- *Corporate bonds:* Valued at the net present value of the bond's future interest payments.
- *Beneficial Interests in trusts:* Valued using readily available quoted market prices of the asset's underlying investments.

The Organization follows the provisions of the Financial Accounting Standards Board (FASB) ASU No. 2015-07*: Disclosure for Investments in Certain Entities That Calculate Net Asset Value Per Share (or its equivalent).* This pronouncement removes the requirements to categorize within the fair value hierarchy all investments for which fair value is measured using the net asset value per share as a practical expedient and certain disclosure requirements.

Beneficial interests in assets held by others are assets held by the Maine Community Foundation and are valued using the net asset value per share as a practical expedient. As such, assets held by the Maine Community Foundation are not assigned a level within the fair value hierarchy. As discussed in the "Transfers of assets to a recipient organization" note, for the year ended June 30, 2020, upon transfer of the assets to the Maine Community Foundation, variance power over the assets was granted to the Maine Community Foundation, with no opportunity for redemption, and the Organization is designated the sole beneficiary.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization's management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

ASSETS MEASURED AT FAIR VALUE ON A RECURRING BASIS, CONTINUED

Fair value measurements at June 30, 2021 using:

	Total	Level 1	Level 2
Cash and equivalents	$ 18,492	18,492	-
Corporate equities:			
Healthcare	145,306	145,306	-
Technology	538,424	538,424	-
Communications	399,757	399,757	-
Financial services	410,368	410,368	-
Energy	50,924	50,924	-
Consumer defensive	106,412	106,412	-
Real estate	50,579	50,579	-
Industrials	44,800	44,800	-
Consumer cyclical	238,581	238,581	-
Utilities	13,739	13,739	-
Total corporate equities	1,998,890	1,998,890	-
Mutual funds and ETF's:			
Treasury bond fund	20,142	20,142	-
Agency bond fund	35,761	35,761	-
Short-term treasury bond fund	79,872	79,872	-
Short-term asset fund	13,197	13,197	-
Multi-sector bond fund	200,920	200,920	-
Core bond class fund	194,882	194,882	-
Core plus bond fund	199,605	199,605	-
Dollar-hedged institutional fund	224,387	224,387	-
Hedged equity class fund	30,004	30,004	-
Mid cap growth fund	195,926	195,926	-
Institutional fund	220,724	220,724	-
Genomic revenue ETF	170,368	170,368	-
Autonomous tech ETF	18,621	18,621	-
Prime mobile pay ETF	153,326	153,326	-
S&P biotech ETF	116,719	116,719	-
Emerging markets	138,750	138,750	-
Medical device ETF	207,828	207,828	-
Mega cap growth ETF	183,004	183,004	-
Growth ETF	203,437	203,437	-
Total mutual funds and ETF's	2,607,473	2,607,473	-
Beneficial interest in trusts	451,865	-	451,865
Totals	**$ 5,076,720**	**4,624,855**	**451,865**

ASSETS MEASURED AT FAIR VALUE ON A RECURRING BASIS, CONTINUED

Fair value measurements at June 30, 2020 using:

	Total	Level 1	Level 2
Cash and equivalents	$ 112,143	112,143	-
Corporate bonds	27,719	-	27,719
Corporate equities:			
Healthcare	23,165	23,165	-
Technology	11,736	11,736	-
Communications	9,730	9,730	-
Financial services	13,609	13,609	-
Energy	7,321	7,321	-
Consumer defensive	15,484	15,484	-
Real estate	3,012	3,012	-
Industrials	8,415	8,415	-
Consumer cyclical	12,865	12,865	-
Utilities	2,642	2,642	-
Total corporate equities	107,979	107,979	-
Mutual funds and ETF's:			
Small blend	31,688	31,688	-
Large blend	194,018	194,018	-
Commodities	20,921	20,921	-
Bond funds	103,254	103,254	-
Managed allocations	83,490	83,490	-
Foreign markets	99,242	99,242	-
Real estate	10,052	10,052	-
Total mutual funds and ETF's	542,665	542,665	-
Beneficial interest in trusts	370,005	-	370,005
Total	$ 1,160,511	762,787	397,724
Interest in assets held by MCF	3,157,364		
Totals	**$ 4,317,875**		

Transfers between asset levels are recognized on the actual date of the event, or change in circumstances, that caused the transfer. There were no such transfers between levels during either of the year ended June 30, 2021 or 2020.

EQUIPMENT, NET

Equipment consisted of the following at June 30:

	2021	2020
Office furniture and equipment	$ 131,100	130,005
Less: accumulated depreciation	(120,461)	(112,854)
Total equipment, net	**$ 10,639**	**17,151**

OBLIGATION UNDER OPERATING LEASE

In 2015, the Organization entered into a five year operating lease effective July 2015 for its main corporate office in Bangor. The lease calls for monthly payments of $2,417, for the term of the lease, plus a portion of the annual property taxes. Upon expiration of the original lease term on July 1, 2020, the Organization exercised its option to extend the lease for an additional five-year term, including monthly payments starting at $2,534 with slight increases each year thereafter. Total lease expense for the years ended June 30, 2021 and 2020 amounted to $30,400 and $29,000, respectively. Future minimum required payments under this lease are as follows at June 30, 2021:

Year ended	Total:
2022	$ 30,682
2023	31,001
2024	31,321
2025	31,640
Thereafter	-
Total	**$ 124,644**

OBLIGATION UNDER CAPITAL LEASE

During 2018, the Organization secured the use of certain office equipment under the terms of a capital lease. The cost basis of equipment thus capitalized amounted to $14,512. Accumulated depreciation amounted to ($10,400) and ($7,497) at June 30, 2021 and 2020, respectively. Future minimum required payments under this lease are as follows at June 30, 2021:

Year ended	Total:
2022	$ 3,213
2023	1,338
Subtotal	4,551
Less amounts representing interest	(133)
Principal balance	**$ 4,418**

LINE OF CREDIT

The Organization has an available $75,000 bank line of credit. The agreement is renewed annually. There was no outstanding balance on the line of credit at June 30, 2021.

PAYCHECK PROTECTION PROGRAM

On April 9, 2020, as a result of the negative financial impact of COVID-19, the Organization applied for and was granted a loan (the Loan) from Bangor Savings Bank in the aggregate amount of $111,600, pursuant to the Paycheck Protection Program (the "PPP") under division A, Title I of the Coronavirus Aid, Relief and Economy Security Act (CARES Act), which was enacted in March, 2020. The Loan, which was in the form of a note dated April 9, 2020, matures on April 9, 2022 and bears interest at a rate of 1.00% per annum, payable monthly commencing ten months after the covered period ends. The note may be prepaid by the Organization at any time prior to maturity with no prepayment penalties. Funds from the Loan may only be used for payroll costs, costs used to continue group health care benefits, mortgage payments, rent, utilities, and interest on other debt obligations incurred before February 15, 2020. The Organization intended to and did use the entire Loan amount for qualifying expenses. Under the terms of the PPP, certain amounts of the Loan may be forgiven if they are used for qualifying expenses as described in the CARES Act.

The Organization elected to treat the Loan as a conditional grant pursuant FASB ASC 958-605. The Organization believed that as of June 30, 2020, all conditions for forgiveness had been met and the Loan was recorded as governmental grant revenue in the accompanying statement of activities for the year ended June 30, 2020.

On December 11, 2020, the Organization received notice from Bangor Savings Bank that the entire $111,600 Loan had been forgiven in full.

RETIREMENT PLAN

The Organization offers a Tax Deferred Annuity Plan under section 403(b) of the Internal Revenue Code. Employees may elect to defer a portion of their compensation, and the Organization will make matching contributions equal to 50% of the salary reduction amount the employee is contributing during the plan year, up to a max of 8% of the employees compensation received during the plan year. In addition, the Plan provides for discretionary contributions by the Organization. This plan is available to all employees who have been employed for a year or more. There is a three year vesting period before benefits become non-forfeitable. The Organization's contribution to the Plan for the years ended June 30, 2021 and 2020 was $15,133 and $7,647, respectively.

COMMITMENT

In May 2019, the Organization made a three-year commitment to fund certain programs of its member agencies. Amounts committed for the period of July 1, 2021 through December 31, 2021 were based on the 2020 campaign results and have been recorded as a liability of $338,769 in these financial statements. Future allocations are contingent upon the future campaign results, members' compliance with the United Way guidelines, and continued success of the community agencies' programs.

RELATED PARTY TRANSACTIONS

The Organization received marketing services from a company owned by a member of the Board of Directors. Amounts paid for these services during the years ended June 30, 2021 and 2020, approximated $36,200 and $32,000, respectively. Additional marketing services were provided as in-kind donations in the amount of $4,800 and $6,400 during the years ended June 30, 2021 and 2020, respectively.

RESTRICTIONS AND LIMITATIONS OF NET ASSET BALANCES

Net assets with donor restrictions consisted of the following at June 30:

To be held in perpetuity:

	2021	2020
Endowment funds held in perpetuity	$ 2,350,621	2,350,621
Beneficial interest in perpetual trusts	451,865	370,005
Totals	**$ 2,802,486**	**2,720,626**

Subject to appropriation and expenditure when a specified event or time occurs:

	2021	2020
Cumulative endowment earnings	$ 1,025,697	540,333
Contributions restricted for future program purposes	475,559	408,797
Totals	**$ 1,501,256**	**949,130**
Total net assets with donor restrictions	**$ 4,303,742**	**3,669,756**

NET ASSETS RELEASED FROM RESTRICTIONS

Net assets released from restriction consisted of the following at June 30:

	2021	2020
Campaign time restriction	$ 1,128,649	1,084,735
Satisfaction of purpose restrictions	949,671	204,469
Total net assets released from restrictions	**$ 2,078,320**	**1,289,204**

LIQUIDITY AND AVAILABILITY OF RESOURCES

The Organization had the following financial assets available within one year of the balance sheet date to meet cash needs for general expenditure at June 30:

	2021	2020
Cash and cash equivalents	$ 376,791	344,808
Accounts receivable, net	53,426	105,247
Short-term investments	150,220	105,510
Total	**$ 580,437**	**555,565**

None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date.

The Organization's endowment funds consist of donor-restricted endowments and Board-designated quasi-endowment. As described in the "Endowment" footnote, the Organization's Board of Directors has adopted an endowment spending policy under which, an amount equal to 4% of the market value of the fund based on a rolling three-year average of the fund's calendar year-end market value, shall be available to the Organization each year.

The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. As more fully described in the "Line of Credit" note, the Organization has one committed line of credit in the amount of $75,000 which it could draw upon in the event of an unanticipated liquidity need. Additionally, although the Organization does not intend to spend from its Board-designated investment funds other than amounts appropriated for general expenditure as part of its annual distribution, amounts from these funds could be made available through approval of the Board of Directors.

METHOD USED FOR ALLOCATION OF EXPENSES

The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of the Organization. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Those expenses include administrative salaries and wages, employee benefits and payroll taxes, and indirect operating expenses. Each month the total administrative costs is allocated based on a percentage of employee time for each program or supporting functions versus the overall time for all employees.

REVENUE RECOGNITION

During the years ended June 30, 2021 and 2020, the Organization had contract revenue totaling $38,223 and $485,000, respectively. Of those totals, $40,350 and $7,775 came from sponsorships, and ($2,127) and $477,225 came from net special events, respectively. To best match the timing of the transfer of goods or services, the Organization recognizes revenue from contracts with customers at the time a particular event occurs. There are no significant warranties of return, refund, or discount obligations related to any contracts with customers. For each of the years ended June 30, 2021 and 2020, the greatest economic factor effecting contract revenue has been the COVID-19 pandemic.

REVENUE RECOGNITION, CONTINUED

Contract transaction prices, such as sponsorship amounts and event fees, include management's judgment of variable consideration, which includes incentives, and rebates. Based on available information, management must include an estimate of any variable consideration, if applicable, when determining the contract transaction price.

SUBSEQUENT EVENTS

In accordance with FASB ASC 855-10 *Subsequent Events,* management has evaluated subsequent events for possible recognition or disclosure through January 20, 2022, which is the date these financial statements were available to be issued.

On November 15, 2021, the Organization entered into an agreement with another local United Way in Maine that will allow the United Way of Eastern Maine to expand its geographical footprint to include five additional towns in Waldo County, and all of Somerset County. In accordance with the terms of the agreement, any assets transferred to the United Way of Eastern Maine, must be used for staffing and the community benefit within those two counties. As of the date of this report, no such assets have been transferred.