United Way

Heart of Maine

FINANCIAL STATEMENTS
June 30, 2025
(With comparative totals for June 30, 2024)

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Heart of Maine United Way

Opinion

We have audited the accompanying financial statements of Heart of Maine United Way (a nonprofit organization), which comprise the statement of financial position as of June 30, 2025**,** and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Heart of Maine United Way as of June 30, 2025, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Heart of Maine United Way and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Heart of Maine United Way's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Heart of Maine United Way'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 Summarized Comparative Information

We have previously audited Heart of Maine United Way's 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 29, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Runyon Kersteen Ouellette

February 23, 2026
South Portland, Maine

HEART OF MAINE UNITED WAY
Statement of Financial Position
June 30, 2025
(With comparative totals for June 30, 2024)

		2025	2024
ASSETS			
Cash and cash equivalents	$	273,735	38,990
Pledges receivable, net		431,665	483,088
Accounts and other receivables		129,700	98,625
Prepaid expenses		23,700	17,050
Investments		5,450,583	4,419,980
Building and equipment, net		632,214	4,536
Right of use asset - financing		7,009	9,721
Right of use asset - operating		-	30,725
Cash surrender value of life insurance		9,522	8,953
Beneficial interest in perpetual trusts		434,878	407,776
Total assets	**$**	**7,393,006**	**5,519,444**
LIABILITIES			
Accounts payable	$	29,102	19,160
Allocations payable		367,389	371,873
Designations payable		234,157	230,662
Accrued expenses		49,082	20,866
Note payable		300,000	-
Right of use liability - financing		7,009	9,721
Right of use liability - operating		-	30,725
Total liabilities		986,739	683,007
NET ASSETS			
Without donor restrictions:			
Designated for:			
Charles F. Bragg 2nd Society Fund		285,237	237,917
Stabilization reserve		723,551	703,184
Future allocations and community investments		253,625	-
Net investment in building and equipment		332,214	4,536
Undesignated		59,335	39,379
Total net assets without donor restrictions		1,653,962	985,016
With donor restrictions:			
Campaign contributions for future periods and funds restricted for purpose		989,433	347,500
Other contributions for future periods		2,568	2,568
Charles F. Bragg 2nd Society Fund unappropriated appreciation		969,764	738,415
Beneficial interests in perpetual trust funds		434,878	407,776
Charles F. Bragg 2nd Society Fund, corpus		2,355,662	2,355,162
Total net assets with donor restrictions		4,752,305	3,851,421
Total net assets		6,406,267	4,836,437
Total liabilities and net assets	**$**	**7,393,006**	**5,519,444**

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

HEART OF MAINE UNITED WAY
Statement of Activities
For the Year Ended June 30, 2025
(With comparative totals for the year ended June 30, 2024)

		2025			
		Without donor restrictions	**With donor restrictions**	**Total**	**2024 Totals**
Public Support and revenues:					
Contributions of cash and other financial assets:					
Gross campaign results	$	-	1,908,518	1,908,518	1,442,705
Less: donor designations		-	(257,728)	(257,728)	(225,788)
Less: provision for uncollectible		-	(78,318)	(78,318)	(135,255)
Net campaign revenue		-	1,572,472	1,572,472	1,081,662
Government grants		-	515,006	515,006	-
Sponsorships		-	36,000	36,000	5,375
Other contributions, grants, and bequests		7,683	598,371	606,054	151,546
Service fees		44,222	-	44,222	46,738
Special events, net of expenses of $5,391 and $19,868 in 2025 and 2024, respectively		1,109	-	1,109	12,132
Contributions of nonfinancial assets		-	196,031	196,031	227,153
Total public support and revenues		53,014	2,917,880	2,970,894	1,524,606
Revenues, gains and other support:					
Perpetual trust beneficiary income		16,770	-	16,770	14,261
Endowment income distributed		124,539	-	124,539	125,480
Investment income, net		63,501	54,060	117,561	106,787
Realized and unrealized (loss) gain on investments		(49,935)	292,947	243,012	328,709
Change in value of perpetual trusts		-	27,102	27,102	25,793
Other income		217,715	-	217,715	439
Net assets released from restrictions		2,391,105	(2,391,105)	-	-
Total revenues, gains and other support		2,763,695	(2,016,996)	746,699	601,469
Total revenues		2,816,709	900,884	3,717,593	2,126,075
Expenses:					
Program services		1,543,162	-	1,543,162	1,479,881
Management and general		30,269	-	30,269	51,403
Fundraising		574,332	-	574,332	510,929
Total expenses		2,147,763	-	2,147,763	2,042,213
Changes in net assets		668,946	900,884	1,569,830	83,862
Net assets, beginning of year		985,016	3,851,421	4,836,437	4,752,575
Net assets, end of year	**$**	**1,653,962**	**4,752,305**	**6,406,267**	**4,836,437**

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

HEART OF MAINE UNITED WAY
Statement of Functional Expenses
For the Year Ended June 30, 2025
(With comparative totals for the year ended June 30, 2024)

		2025							
		Program services				Supporting services			
		Education	Income	Health	Total Programs	Management and general	Fundraising	2025 Totals	2024 Totals
Member Agencies:									
Gross funds awarded/distributed	$	173,001	691,207	134,470	998,678	-	-	998,678	1,000,080
Less: donor designations		(47,001)	(174,195)	(36,533)	(257,729)	-	-	(257,729)	(225,788)
Net funds awarded/distributed		126,000	517,012	97,937	740,949	-	-	740,949	774,292
Other agency amounts:									
Contributed non-financial assets		77,320	94,143	8,510	179,973	-	16,058	196,031	227,153
Other amounts		-	32,011	5,550	37,561	-	-	37,561	44,203
Total other agency		77,320	126,154	14,060	217,534	-	16,058	233,592	271,356
General Support:									
Salaries and wages		105,041	93,411	79,941	278,393	2,947	285,228	566,568	525,847
Benefits		8,244	8,182	8,182	24,608	4,861	38,721	68,190	78,189
Payroll taxes		5,246	5,246	5,246	15,738	2,604	24,827	43,169	45,485
Total salaries and benefits		118,531	106,839	93,369	318,739	10,412	348,776	677,927	649,521
Professional fees		34,838	33,776	33,777	102,391	7,316	37,463	147,170	140,349
Contracted employees		6,514	6,514	6,514	19,542	3,233	40,479	63,254	4,676
Community projects		59,466	540	540	60,546	10	96	60,652	-
Bank and credit card fees		1,016	1,016	1,016	3,048	505	10,401	13,954	8,400
Office supplies		920	920	920	2,760	171	4,677	7,608	4,513
Postage		432	432	432	1,296	214	3,296	4,806	4,866
Volunteer/agency meetings		406	406	406	1,218	148	1,411	2,777	2,009
Staff travel		999	1,450	482	2,931	42	1,543	4,516	7,976
Staff training		4,971	5,258	4,971	15,200	118	11,503	26,821	14,446
Dues and subscriptions		1,917	1,917	1,917	5,751	937	14,864	21,552	17,112
Rent		5,173	5,173	5,173	15,519	2,567	24,481	42,567	40,632
Occupancy / utilities		3,964	3,964	3,964	11,892	1,968	18,763	32,623	37,835
Insurance, property and liability		1,486	1,486	1,486	4,458	737	7,031	12,226	10,901
Miscellaneous expense		35	35	35	105	17	3,166	3,288	264
Marketing and media		248	248	248	744	17	8,663	9,424	17,322
Licenses and fees		5,018	5,016	5,016	15,050	1,279	16,154	32,483	32,236
Depreciation		256	256	256	768	127	1,213	2,108	2,308
Interest		907	907	907	2,721	451	4,294	7,466	1,199
Total other expenses		128,566	69,314	68,060	265,940	19,857	209,498	495,295	347,044
Total expenses	**$**	**450,417**	**819,319**	**273,426**	**1,543,162**	**30,269**	**574,332**	**2,147,763**	**2,042,213**

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

HEART OF MAINE UNITED WAY
Statement of Cash Flows
For the Year Ended June 30, 2025
(With comparative totals for the year ended June 30, 2024)

	2025	2024
Cash flows from operating activities:		
Change in net assets	$ 1,569,830	83,862
Adjustments to reconcile change in net assets to net cash and cash equivalents provided by (used in) operating activities:		
Depreciation	2,108	2,308
Change in allowance for pledges receivable	40,927	(2,847)
Net realized and unrealized gain on investments	(243,012)	(328,709)
Change in value of perpetual trusts	(27,102)	(25,793)
Change in cash surrender value of life insurance	(569)	(559)
Decrease (increase) in assets:		
Accounts receivable	(31,075)	(53,606)
Pledges receivable	10,496	(31,103)
Prepaid expenses	(6,650)	20,172
Right of use asset - Operating	30,725	31,019
Increase (decrease) in liabilities:		
Accounts payable	9,942	5,032
Allocations payable	(4,484)	10,547
Designations payable	3,495	14,795
Accrued expenses	28,216	(39,642)
Right of use liability - Operating	(30,725)	(31,019)
Net cash and cash equivalents provided by (used in) operating activities	1,352,122	(345,543)
Cash flows from investing activities:		
Purchase of property and equipment	(327,074)	-
Purchase of investments	(1,049,836)	(239,437)
Proceeds from sale of investments	262,245	99,000
Net cash and cash equivalents used in investing activities	(1,114,665)	(140,437)
Cash flows from financing activities:		
Payments on right of use liability - financing	(2,712)	-
Net cash and cash equivalents used in financing activities	(2,712)	-
Net change in cash and cash equivalents	234,745	(485,980)
Cash and cash equivalents at beginning of year	38,990	524,970
Cash and cash equivalents at end of year	**$ 273,735**	**38,990**
Supplemental disclosure of cash flow activity:		
Cash paid for interest	**$ 7,466**	**1,199**
Simultaneous investing and financing activities:		
Acquisition of fixed assets with issuance of a note payable	**$ 300,000**	**-**

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

NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization - The Heart of Maine United Way (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, 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 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 to serve 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 the 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.

Accounts and Other Receivables - Accounts and other receivables are recorded at cost less an allowance for credit losses, which is the net amount expected to be collected. The Organization’s policy is not to charge interest on customer accounts with balances that are past due more than 90 days. Accounts are considered past due once the unpaid balance exceeds payment terms extended to the customer.

Allowance for Credit Losses for Accounts and Other Receivables - When an account balance is past due and attempts have been made to collect the receivable, the amount is considered uncollectible and is written off against the allowance for credit losses. At June 30, 2025 and 2024, the Organization considered all outstanding balances of accounts and other receivables to be fully collectible. As a result, an allowance for credit losses was not deemed necessary.

The Organization’s policy is to measure its allowance for credit losses based on an evaluation of historical internal and external information and past experience of the receivable aging, adjusted for current economic conditions, and reasonable and supportable forecast about future events that affects the collectability of receivables. Specific factors considered in measuring the expected amount of accounts receivables collected include the current customer-specific risk characteristics, current and forecasted future financial condition, the customer’s past payment history and forecasted payment ability, and other factors, such as changes in the economy due to interest, inflation, and unemployment levels.

In measuring expected credit losses for accounts and other receivables, the Organization considers the entire population of receivables to be a single pool because the assets have similar risk characteristics in terms of customer creditworthiness, customer industry and geographic location, and the impact of the current and forecasted direction of the economic and business environment on collectability of such receivables. In situations in which customers have risk characteristics that are outside those of the customer pool as a whole, those customers are evaluated for credit losses using criteria independent of the remainder of the trade receivable pool.

NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

From time to time, there may be changes in current economic conditions, such as rates of interest, inflation, unemployment, and borrower forecasted ability to make payments, among others, that may impact the overall economic outlook and change the forecast of the expected amounts to be collected for trade and loans receivable. In those situations, the Organization factors in those changes into its computation of expected losses.

During the years ended June 30, 2025 and 2024, there were no changes in the Organization's accounting policies or methodology, in measuring credit losses related to its accounts and other receivables. There were no significant changes in the amount of accounts written off during the years ended June 30, 2025 and 2024.

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.

Building and Equipment, Net - The building and equipment are 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 $2,500 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, 2025 and 2024 totaled $2,108 and $2,308, 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 since it is deemed to result from the current campaign. The balance of the annual award is deemed to result from the next campaign year.

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, 2024, from which the summarized information was derived.

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.

Contributions whose restrictions are met in the same year as received are reported as contributions without donor restrictions.

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.

NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Contributions of Nonfinancial Assets - 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 contributed nonfinancial 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 contributed time for the years ended June 30, 2025 and 2024 has not been reflected in the accompanying financial statements. Total volunteer hours for the years ended June 30, 2025 and 2024 amounted to 6,213 and 6,129, respectively.

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.

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 December 2023, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2023-09 *Income Taxes (Topic 740).* This ASU eliminates or modifies certain requirements currently in place and establishes new income tax disclosure requirements. Application of this ASU must be applied for fiscal years ending on or after December 15, 2025. In addition, during December 2023, the FASB also issued ASU No. 2023-08 *Intangibles - Goodwill and Other - Crypto Assets (Subtopic 350-60).* This ASU requires additional disclosures as well as measuring crypto assets at fair value in the balance sheet and recognizing re-measurement changes, as needed, in net income for each reporting period. Topic 820, Fair Value, guidance is also applicable under this new ASU. Application of this ASU must be applied for fiscal years beginning after December 15, 2024.

In July 2025, the FASB issued ASU No. 2025-05 *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets*. This ASU allows entities to elect a practical expedient assuming the current conditions at the balance sheet will not change. If the practical expedient is elected, it also allows nonpublic entities to consider post-balance sheet date collections when calculating the allowance for credit losses. Application of this ASU must be applied for fiscal years beginning after December 15, 2025.

NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

The Organization is currently evaluating the impact of this ASU on the financial statements.

Reclassification - Certain prior-year balances have been reclassified to correspond to the current year's 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 (FDIC) up to $250,000. The Organization has no cash balances exceeding the FDIC insured limit at both June 30, 2025 and 2024. 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 an 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:

	2025	2024
Pledges receivable	$ 567,520	578,016
Less: allowance for uncollectible pledges	(135,855)	(94,928)
Pledges receivable, net	**$ 431,665**	**483,088**

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

	2025	2024
2024 Campaign	$ 1,908,518	-
2023 Campaign	-	1,442,705
Total campaign results	1,908,518	1,442,705
Less: designations	(257,728)	(225,788)
Less: allowance for uncollectible pledges	(78,318)	(135,255)
Net campaign results	**$ 1,572,472**	**1,081,662**

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:

	2025	2024
Cash and money market funds	$ 698,868	11,988
Intermediate-term bonds	-	31,788
Government bonds	-	64,230
Corporate equities	1,847,640	1,726,375
Exchange traded funds	1,865,492	1,598,557
Mutual funds	1,038,583	987,042
Total investments	**$ 5,450,583**	**4,419,980**

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 $434,878 and $407,776 at June 30, 2025 and 2024, respectively. Total distributions received from these trusts amounted to $16,770 and $14,261 during the years ended June 30, 2025 and 2024, respectively.

ENDOWMENT

At June 30, 2025 and 2024, the Organization held donor-restricted endowments of $3,325,426 and $3,093,577 and Board-designated endowments of $285,237 and $237,917, 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 - Heart of Maine United Way 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 is 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, 2025:

	Without donor restrictions	With donor restrictions	Totals
Board-designated	$ 285,237	-	285,237
Donor-restricted endowments:			
Original donor-restricted gift and amounts required to be maintained in perpetuity	-	2,355,662	2,355,662
Accumulated investment earnings	-	969,764	969,764
Totals	**$ 285,237**	**3,325,426**	**3,610,663**

The changes in the Organization's endowment balances for the year ended June 30, 2025 were as follows:

	Without donor restrictions	With donor restrictions	Totals
Endowment net assets, beginning of year	$ 237,917	3,093,577	3,331,494
Contributions	25,000	500	25,500
Investment return, net	31,451	346,757	378,208
Amounts appropriated for expenditure	(9,131)	(115,408)	(124,539)
Endowment net assets, end of year	**$ 285,237**	**3,325,426**	**3,610,663**

The Organization's endowment balances were comprised of the following at June 30, 2024:

	Without donor restrictions	With donor restrictions	Totals
Board-designated	$ 237,917	-	237,917
Donor-restricted endowments:			
Original donor-restricted gift and amounts required to be maintained in perpetuity	-	2,355,162	2,355,162
Accumulated investment earnings	-	738,415	738,415
Totals	**$ 237,917**	**3,093,577**	**3,331,494**

ENDOWMENT, CONTINUED

The changes in the Organization's endowment balances for the year ended June 30, 2024 were as follows:

	Without donor restrictions	**With donor restrictions**	**Totals**
Endowment net assets, beginning of year	$ 199,158	2,774,752	2,973,910
Contributions	10,000	1,500	11,500
Investment return, net	37,104	434,460	471,564
Amounts appropriated for expenditure	(8,345)	(117,135)	(125,480)
Endowment net assets, end of year	**$ 237,917**	**3,093,577**	**3,331,494**

During the year ended June 30, 2025, it was noted that $4,541 of prior year endowment contributions to be maintained in perpetuity had been incorrectly included with accumulated investment earnings. As a result, a reclassification in that amount was made between accumulated investment earnings and contributions to be maintained in perpetuity for the year ended June 30, 2024.

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.

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, 2025 and 2024.

- *Beneficial Interests in trusts:* Valued using readily available quoted market prices of the asset's underlying investments.

ASSETS MEASURED AT FAIR VALUE ON A RECURRING BASIS, CONTINUED

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. There were no transfers between levels during either of the years ended June 30, 2025 or 2024.

Fair value measurements at June 30, 2025 using:

	Total	Level 1	Level 2
Cash and equivalents	$ 698,868	698,868	-
Corporate equities:			
Healthcare	14,593	14,593	-
Technology	868,704	868,704	-
Financial services	443,938	443,938	-
Energy	87,160	87,160	-
Consumer defensive	56,478	56,478	-
Consumer cyclical	376,767	376,767	-
Total corporate equities	1,847,640	1,847,640	-
Mutual funds and ETF's	2,904,075	2,904,075	
Beneficial interest in trusts	434,878	-	434,878
Totals	**$ 5,885,461**	**5,450,583**	**434,878**

Fair value measurements at June 30, 2024 using:

	Total	Level 1	Level 2
Cash and equivalents	$ 11,988	11,988	-
Intermediate-term bonds	31,788	31,788	-
Government bonds	64,230	64,230	-
Corporate equities:			
Healthcare	144,041	144,041	-
Technology	481,548	481,548	-
Communications	316,207	316,207	-
Financial services	334,936	334,936	-
Energy	76,105	76,105	-
Consumer defensive	123,352	123,352	-
Consumer cyclical	194,197	194,197	-
Utilities	16,594	16,594	-
Real estate	39,395	39,395	-
Total corporate equities	1,726,375	1,726,375	-
Mutual funds and ETF's	2,585,599	2,585,599	
Beneficial interest in trusts	407,776	-	407,776
Totals	**$ 4,827,756**	**4,419,980**	**407,776**

BUILDING AND EQUIPMENT, NET

Building and equipment, net consisted of the following at June 30:

	2025	2024
Building and improvements	$ 629,485	-
Office furniture and equipment	85,350	124,547
Less: accumulated depreciation	(82,621)	(120,011)
Total building and equipment, net	**$ 632,214**	**4,536**

RIGHT OF USE OBLIGATIONS

Financing

During 2023, the Organization obtained certain right of use assets under the terms of a financing lease. The cost basis of assets capitalized amounted to $13,792, with accumulated depreciation amounting to $6,783 and $4,071 at June 30, 2025 and 2024, respectively. The weighted-average remaining lease term for finance leases was 32 months with the weighted-average discount rate being 7.0% at June 30, 2025. Future minimum required payments under this lease are as follows at June 30:

Year ending	Total
2026	$ 3,152
2027	3,152
2028	1,638
Subtotal	7,942
Less: Amounts representing interest	(933)
Total	**$ 7,009**

Operating

In 2015, the Organization entered into a right of use asset obligation under a five-year operating lease effective July 2015 for its main corporate office in Bangor. The lease called 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. Given the Organization's purchase of a new office building during the year ended June 30, 2025, the lease was not renewed and was converted to a month-to-month lease until building improvements have been completed, and the Organization is able to move into its new location. Accordingly, the Organization made the accounting policy election to not include the value of the month-to-month lease as a right of use asset and right of use liability on its statement of financial position at June 30, 2025. Total lease expense for the years ended June 30, 2025 and 2024 amounted to $42,567 and $40,632, respectively.

The Organization elected the following practical expedients as part of its adoption of FASB ASC 842 *Leases:*

- The Organization elected not to reassess whether any expired or existing contracts are, or contain leases.
- The Organization elected not to reassess the lease classification for any expired or existing leases.
- The Organization elected not to reassess initial direct costs on any existing leases.

NOTE PAYABLE

As previously mentioned, during the year ended June 30, 2025, the Organization purchased a new office building. As part of that purchase, the Organization obtained financing from a local bank through the issuance of a mortgage payable in the amount of $300,000. Accordingly, long-term debt consisted of the following at June 30:

	2025	2024
Mortgage payable to bank, secured by real property, repayable in monthly payments of principal and interest of $2,298 for 240 months, interest at 6.75% for the first five years, then Wall Street Journal Prime Rate plus 1.00%, adjusted monthly.	$ 300,000	-
Totals	300,000	-
Less: current portion	(7,565)	-
Long-term debt, non-current	**$ 292,435**	**-**

The following summarizes the Organization's debt maturity for the years ending June 30:

2026	$ 7,565
2027	8,092
2028	8,655
2029	9,258
2030	9,903
Thereafter	256,527
Total	**$ 300,000**

LINE OF CREDIT

The Organization has an available $200,000 bank line of credit. The agreement is renewed annually. There was no outstanding balance on the line of credit at either June 30, 2025 or 2024.

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, 2025 and 2024 was $10,377 and $10,612, respectively.

COMMITMENT

In June 2025, the Organization made a three-year commitment to fund certain programs of its member agencies. Amounts committed for the period of July 1, 2025, through December 31, 2025, were based on the 2024 campaign results and have been recorded as a liability of $367,389 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.

RESTRICTIONS AND LIMITATIONS OF NET ASSET BALANCES

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

To be held in perpetuity:

	2025	2024
Endowment funds held in perpetuity	$ 2,355,662	2,355,162
Beneficial interest in perpetual trusts	434,878	407,776
Totals	**$ 2,790,540**	**2,762,938**

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

	2025	2024
Cumulative endowment earnings	$ 969,764	738,415
Contributions restricted for future program purposes	992,001	350,068
Totals	**$ 1,961,765**	**1,088,483**
Total net assets with donor restrictions	**$ 4,752,305**	**3,851,421**

NET ASSETS RELEASED FROM RESTRICTIONS

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

	2025	2024
Campaign time restriction	$ 1,372,687	1,115,744
Satisfaction of purpose restrictions	1,018,418	580,687
Total net assets released from restrictions	**$ 2,391,105**	**1,696,431**

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:

	2025	2024
Cash and cash equivalents	$ 273,735	38,990
Accounts and other receivables	129,700	98,625
Stabilization reserve investments	723,551	703,184
Total	**$ 1,126,986**	**840,799**

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. Although stabilization reserve investments are Board-designated, they could be undesignated and made available for operating costs should the need arise.

LIQUIDITY AND AVAILABILITY OF RESOURCES, CONTINUED

The Organization's endowment funds consist of donor-restricted endowments and Board-designated quasi-endowment. As described in the "Endowment" footnote, 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.

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 $200,000 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.

CONTRIBUTED NONFINANCIAL ASSETS

Contributed nonfinancial assets recognized within the statements of activities consisted of the following for the years ended June 30:

	2025	2024
Food	$ 48,023	68,690
School supplies	40,950	56,649
Household items	52,119	38,196
Software and hardware	4,000	25,280
Services	39,388	23,562
Socks	11,551	14,776
Total	**$ 196,031**	**227,153**

The Organization recognized contributed nonfinancial assets within revenue, including food, school supplies, household items, software and hardware, services, and clothing. Unless otherwise noted, all contributed nonfinancial assets are donor-restricted for program related use.

All contributed items noted above were utilized in the basic needs program of the Organization. In valuing these items, the Organization estimated the fair value on the basis of estimates of wholesale values that would be received for selling similar products in the area. Software and services recognized consist of professional services donated to a special event put on by the Organization. They were valued and reported at the estimated fair value in the financial statements based on current rates for similar services.

REVENUE RECOGNITION

The Organization had contract revenue consisting of the following at June 30:

	2025	2024
Sponsorships	$ 36,000	5,375
Special events	1,109	12,132
Total	**$ 37,109**	**17,507**

There were no contract assets or liabilities outstanding at June 30, 2025 or 2024. For each of the years ended June 30, 2025 and 2024, goods and services provided to customers consisted of advertising at various Organizational events and attendance access to special events.

To best match the timing of the transfer of goods or services, the Organization recognizes revenue from contracts with customers when performance obligations are satisfied, which is at the time a sponsored or special event occurs. All prices are fixed and there are no financing terms available. 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, 2025 and 2024, the greatest economic factor effecting contract revenue has been the economy and related inflation.

Contract transaction prices 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. There were no such variable considerations in determining contract transaction prices.

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.

SUBSEQUENT EVENTS

In accordance with FASB ASC 855-10 *Subsequent Events,* management has evaluated subsequent events for possible recognition or disclosure through February 23, 2026, which is the date these financial statements were available to be issued.