



June 9, 2015

United Way of Dane County, Inc.,
United Way of Dane County Foundations, Inc. and Affiliates
2059 Atwood Avenue
Madison, WI 53704

Attention: Ms. Leslie Ann Howard, President
Mr. Rick Spiel, Executive Vice President

In accordance with your request, we are transmitting the accompanying PDF file, which contains an electronic final version of the statement of financial position as of December 31, 2014, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements for United Way of Dane County, Inc., United Way of Dane County Foundation, Inc. and Affiliates. We understand that your request for the electronic copy has been made as a matter of convenience. You understand that electronic transmissions are not entirely secure and that it is possible for confidential financial information to be intercepted by others.

These financial statements and our reports on them are not to be modified in any manner. This final version supersedes all prior drafts. Any preliminary draft version of the financial statements previously provided to you in an electronic format should be deleted from your computer, and all printed copies of any superseded preliminary draft versions should likewise be destroyed.

Professional standards and our Firm policies require that we perform certain additional procedures whenever our reports are included, or we are named as accountants, auditors, or "experts" in a document used in a public or private offering of equity or debt securities. Accordingly, as provided for and agreed to in the terms of our arrangement letter, United Way of Dane County, Inc., United Way of Dane County Foundation, Inc. and Affiliates will not include our reports, or otherwise make reference to us, in any public or private securities offering without first obtaining our consent. Any request to consent is also a matter for which separate arrangements will be necessary. After obtaining our consent, United Way of Dane County, Inc., United Way of Dane County Foundation, Inc. and Affiliates also agrees to provide us with printer's proofs or masters of such offering documents for our review and approval before printing and with a copy of the final reproduced material for our approval before it is distributed. In the event our auditor/client relationship has been terminated when United Way of Dane County, Inc., United Way of Dane County Foundation, Inc. and Affiliates seeks such consent, we will be under no obligation to grant such consent or approval.

McGladrey LLP

A handwritten signature in black ink that reads 'Linda Dolezalek'.

Linda Dolezalek, CPA
Senior Manager

**United Way of Dane County, Inc.,
United Way of Dane County Foundation, Inc.
and Affiliates**

Combined Financial and Compliance Report
12.31.2014

**United Way of Dane County, Inc.,
United Way of Dane County Foundation, Inc.
and Affiliates**

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Independent Auditor's Report

To the Board of Directors
United Way of Dane County, Inc. and
United Way of Dane County Foundation, Inc.
Madison, Wisconsin

Report on the Financial Statements

We have audited the accompanying combined financial statements of United Way of Dane County, Inc., United Way of Dane County Foundation, Inc. and Affiliates (the Corporation), which comprise the combined statement of financial position as of December 31, 2014, and the related combined statements of activities, functional expenses, and cash flows for year then ended, and the related notes to the combined financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these combined 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 combined 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 combined financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free from material misstatement. The financial statements of United Way of Dane County Foundation, Inc. and Affiliates were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined 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 combined 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 combined 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 combined financial statements referred to above present fairly, in all material respects, the combined financial position of United Way of Dane County, Inc., United Way of Dane County Foundation, Inc. and Affiliates as of December 31, 2014, and the changes in their net assets and their cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Corporation's 2013 combined financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 18, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2013, is consistent, in all material respects, with the financial statements from which it has been derived.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The accompanying schedule of expenditures of federal and state awards, as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the combining statement of financial position, the combining statement of activities, the fall of 2013 (2013-2014) campaign, other revenues, and program services and supporting expenses, are presented for purposes of additional analysis and are not required parts of the combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the combined financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 9, 2015 on our consideration of United Way of Dane County, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

McGladrey LLP

Madison, Wisconsin
June 9, 2015

United Way of Dane County, Inc., United Way of Dane County Foundation, Inc. and Affiliates

Combined Statements of Financial Position
December 31, 2014 (with Comparative Totals for 2013)

	2014	2013
Assets		
Cash	\$ 279,045	\$ 213,551
Certificates of deposit and money markets	9,942,436	9,452,490
Investments	5,901,469	5,510,384
Contributions receivable:		
Current year campaign (net of allowance for uncollectible pledges of \$667,016 for 2014)	10,914,736	9,884,048
Prior year campaigns (net of allowance for uncollectible pledges of \$437,941 for 2014)	912,941	658,542
Future years	13,811	128,500
Accrued interest	27,488	27,615
Other receivables	755,960	1,100,600
Prepaid expenses	141,018	126,253
Certificates of deposit and money markets, whose use is limited	1,073,813	1,038,722
Beneficial interest in annuity	22,477	23,063
Beneficial interest in assets held by others	913,743	916,212
Land, building, and equipment, net of accumulated depreciation	2,617,495	2,666,555
Total assets	\$ 33,516,432	\$ 31,746,535
Liabilities and Net Assets		
Liabilities		
Accounts and payroll taxes payable	\$ 340,757	\$ 272,016
Distributions payable:		
Donor designations from current year campaign	4,430,625	4,345,047
Donor designations and allocations from prior year campaign	731,957	573,945
Gift annuity payable	20,229	20,756
Accrued salary and vacation	143,084	77,489
Deferred compensation	192,400	173,832
Total liabilities	5,859,052	5,463,085
Net Assets		
Unrestricted:		
Available for general activities	4,709,213	4,778,294
Board designated:		
Endowment fund	6,039,085	5,652,215
Building replacement	258,916	258,916
Special projects	55,653	113,433
Total unrestricted net assets	11,062,867	10,802,858
Temporarily restricted	16,154,953	15,041,032
Permanently restricted	439,560	439,560
Total net assets	27,657,380	26,283,450
Total liabilities and net assets	\$ 33,516,432	\$ 31,746,535

See Notes to Combined Financial Statements.

United Way of Dane County, Inc., United Way of Dane County Foundation, Inc. and Affiliates

Combined Statements of Activities

Year Ended December 31, 2014 (with Comparative Totals for 2013)

	2014			Total	2013 Total
	Unrestricted	Temporarily Restricted	Permanently Restricted		
Public Support and Revenue					
Total gross campaign results (fall of 2013/2014)	\$ 2,025,595	\$ -	\$ -	\$ 2,025,595	\$ 1,889,933
Total gross campaign results in prior year released from restriction	17,291,376	(17,291,376)	-	-	-
Total campaign results (fall of 2013/2014)	19,316,971	(17,291,376)	-	2,025,595	1,889,933
Less donor designated pledges to specific agencies	5,402,694	(4,881,339)	-	521,355	413,511
Total campaign revenue	13,914,277	(12,410,037)	-	1,504,240	1,476,422
Less allowance for unpaid pledges	264,583	(439,645)	-	(175,062)	(107,853)
Net campaign revenue (fall of 2013/2014)	13,649,694	(11,970,392)	-	1,679,302	1,584,275
Total gross campaign results (fall of 2014/2015)	-	18,779,262	-	18,779,262	17,272,218
Less donor designated pledges to specific agencies	-	4,949,089	-	4,949,089	4,881,339
Campaign revenue	-	13,830,173	-	13,830,173	12,390,879
Less allowance for unpaid pledges	-	495,796	-	495,796	439,645
Net campaign revenue (fall of 2014/2015)	-	13,334,377	-	13,334,377	11,951,234
Current year campaign contributions released from restrictions	105,117	(105,117)	-	-	-
Contributions received in current year for future years	-	48,144	-	48,144	252,638
Noncampaign contributions released from restriction	950,941	(950,941)	-	-	-
Noncampaign contributions	537,810	862,662	-	1,400,472	2,375,920
Grants	28,182	-	-	28,182	25,763
Federal grants	533,767	-	-	533,767	634,861
Total public support	15,805,511	1,218,733	-	17,024,244	16,824,691
Investment income	419,183	48,373	-	467,556	1,016,840
Change in beneficial interest in net assets held by others	(2,470)	-	-	(2,470)	79,109
Rental income (loss), net of expenses of \$79,313	(26,303)	(2,953)	-	(29,256)	(38,976)
Donor designation fees	389,567	-	-	389,567	396,987
Miscellaneous	91,080	-	-	91,080	76,230
Sponsored activities, net	(51,870)	63,749	-	11,879	43,112
Other net assets released from restrictions	213,981	(213,981)	-	-	-
Total public support and revenue	\$ 16,838,679	\$ 1,113,921	\$ -	\$ 17,952,600	\$ 18,397,993

(Continued)

United Way of Dane County, Inc., United Way of Dane County Foundation, Inc. and Affiliates

Combined Statements of Activities (Continued)

Year Ended December 31, 2014 (with Comparative Totals for 2013)

	2014			Total	2013 Total
	Unrestricted	Temporarily Restricted	Permanently Restricted		
Expenses					
Program services:					
Community impact	\$ 13,824,218	\$ -	\$ -	\$ 13,824,218	\$ 12,399,064
Agency and volunteer development	4,657,944	-	-	4,657,944	4,832,147
Total funds awarded/distributed	18,482,162	-	-	18,482,162	17,231,211
Less donor designations	4,998,105	-	-	4,998,105	5,072,888
Total program expenses	13,484,057	-	-	13,484,057	12,158,323
Supporting services:					
Resource development (fundraising)	2,040,324	-	-	2,040,324	1,954,832
Management and general	1,054,289	-	-	1,054,289	970,021
Total supporting services	3,094,613	-	-	3,094,613	2,924,853
Total expenses	16,578,670	-	-	16,578,670	15,083,176
Increase in net assets	260,009	1,113,921	-	1,373,930	3,314,817
Net assets, beginning	10,802,858	15,041,032	439,560	26,283,450	22,968,633
Net assets, ending	\$ 11,062,867	\$ 16,154,953	\$ 439,560	\$ 27,657,380	\$ 26,283,450

See Notes to Combined Financial Statements.

United Way of Dane County, Inc., United Way of Dane County Foundation, Inc. and Affiliates

Combined Statements of Functional Expenses
Year Ended December 31, 2014 (with Comparative Totals for 2013)

	Program Services			Supporting Services			2014 Total Expenses	2013 Total Expenses
	Community Impact	Agency and Volunteer Development	Total	Management and General	Resource Development	Total		
Salaries	\$ 1,110,870	\$ 377,861	\$ 1,488,731	\$ 624,843	\$ 1,099,021	\$ 1,723,864	\$ 3,212,595	\$ 2,904,674
Payroll taxes	78,409	29,866	108,275	39,813	81,989	121,802	230,077	214,631
Employee benefits	203,434	92,182	295,616	144,322	268,615	412,937	708,553	705,012
Total salaries and related expenses	1,392,713	499,909	1,892,622	808,978	1,449,625	2,258,603	4,151,225	3,824,317
Professional fees	32,142	15,858	48,000	47,464	22,693	70,157	118,157	102,089
Data processing	44,416	24,938	69,354	27,657	71,117	98,774	168,128	123,522
Supplies	5,755	3,414	9,169	1,161	2,376	3,537	12,706	16,521
Telephone and networks	8,012	7,268	15,280	6,960	9,543	16,503	31,783	34,841
Postage and shipping	1,331	3,107	4,438	6,780	15,016	21,796	26,234	34,046
Occupancy	21,804	44,627	66,431	30,278	68,208	98,486	164,917	161,383
Printing	24,569	53,174	77,743	24,083	173,827	197,910	275,653	303,657
Travel and meeting expense	17,864	34,081	51,945	17,677	20,375	38,052	89,997	88,299
Staff development	10,474	7,812	18,286	19,970	95	20,065	38,351	48,120
Insurance	1,107	484	1,591	686	1,360	2,046	3,637	1,708
Miscellaneous	69,938	8,084	78,022	2,401	74,121	76,522	154,544	170,158
Payments to affiliated organizations	45,834	28,157	73,991	33,950	67,602	101,552	175,543	168,666
Membership dues	8,037	3,513	11,550	4,981	9,880	14,861	26,411	25,362
Total operations before depreciation	1,683,996	734,426	2,418,422	1,033,026	1,985,838	3,018,864	5,437,286	5,102,689
Depreciation	33,899	23,163	57,062	21,263	54,486	75,749	132,811	131,844
Total operations	1,717,895	757,589	2,475,484	1,054,289	2,040,324	3,094,613	5,570,097	5,234,533
Allocations/awards	12,106,323	3,900,355	16,006,678	-	-	-	16,006,678	14,921,531
Total operations and allocations/awards	13,824,218	4,657,944	18,482,162	1,054,289	2,040,324	3,094,613	21,576,775	20,156,064
Less donor designations	(3,565,143)	(1,432,962)	(4,998,105)	-	-	-	(4,998,105)	(5,072,888)
Total expenses	\$ 10,259,075	\$ 3,224,982	\$ 13,484,057	\$ 1,054,289	\$ 2,040,324	\$ 3,094,613	\$ 16,578,670	\$ 15,083,176

See Notes to Combined Financial Statements.

United Way of Dane County, Inc., United Way of Dane County Foundation, Inc. and Affiliates

Combined Statements of Cash Flows

Year Ended December 31, 2014 (with Comparative Totals for 2013)

	2014	2013
Cash Flows From Operating Activities		
Increase in net assets	\$ 1,373,930	\$ 3,314,817
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	152,401	150,360
Gain on investments	(262,928)	(868,228)
Change in value of beneficial interest in assets held by others	3,055	(198,707)
Increase (decrease) from changes in:		
Contributions receivable and distributions payable	(926,808)	(343,080)
Accrued interest	127	(5,656)
Other receivables	344,640	(781,744)
Prepaid expenses	(14,765)	(68,599)
Accounts payable and accrued expenses	134,336	(117,912)
Gift annuity payable	(527)	(5,218)
Deferred compensation	18,568	(199,822)
Net cash provided by operating activities	822,029	876,211
Cash Flows From Investing Activities		
Purchase of equipment	(103,341)	(111,026)
Purchase of certificates of deposit, money markets and investments	(2,132,111)	(4,025,124)
Proceeds from sales of certificates of deposit, money markets and investments	1,478,917	2,975,538
Net cash used in investing activities	(756,535)	(1,160,612)
Net increase (decrease) in cash	65,494	(284,401)
Cash, beginning	213,551	497,952
Cash, ending	\$ 279,045	\$ 213,551

See Notes to Combined Financial Statements.

United Way of Dane County, Inc., United Way of Dane County Foundation, Inc. and Affiliates

Notes to Combined Financial Statements

Note 1. Nature of Activities and Significant Accounting Policies

Nature of Activities: United Way of Dane County, Inc. (the Corporation) is a non-profit organization whose mission is to unite and focus the community to create measurable results in improving people's lives and strengthening the community. United Way of Dane County Foundation, Inc. (the Foundation) is a non-profit organization which raises funds through lifetime and testamentary charitable contributions for the purpose of creating and maintaining an endowment fund to provide support for health and human service needs in and around Dane County. The Partners in Giving Campaign (State, University and University Hospital Employees of Dane County Combined Campaign (SECC)), the Badgerland Combined Federal Campaign, Madison Metropolitan School District, Monona Grove School District and Madison College Combined Campaigns (the Affiliates) collect contributions from employees for voluntary health, welfare, educational and social change agencies. United Way of Dane County, Inc., United Way of Dane County Foundation, Inc. and Affiliates are collectively referred to as the Corporation throughout this report.

A summary of the Corporation's significant accounting policies follows:

Principles of Combination: The combined financial statements include the consolidated accounts of United Way of Dane County, Inc. and United Way of Dane County Foundation, Inc. as well as SECC, the Badgerland Combined Federal Campaign, Madison Metropolitan School District, Monona Grove School District and Madison College Combined Campaigns which are affiliated through common management. All significant intercompany accounts and transactions have been eliminated in combination.

Use of Estimates: The preparation of financial statements 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 revenue and expenses, including functional allocations, during the reporting period. Program expenses are allocated according to the funding awarded to agencies and the estimated staff time spent on the different program areas of the Vision Council and the Community Solution Teams. Actual results could differ from those estimates.

Certificates of Deposit and Money Markets: Certificates of deposit and money market accounts are carried at cost.

Certificates of deposit and money markets whose use is limited consist of amounts held under the deferred compensation agreement discussed in Note 6 in the amount of \$193,099 and cash accounts held for the Partners In Giving Campaign (State, University and University Hospital Employees of Dane County Combined Campaign (SECC)), the Badgerland Combined Federal Campaign, Madison Metropolitan School District, Monona Grove School District and Madison College Combined Campaigns in the amount of \$880,714.

Contributions Receivable: Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The discounts on those amounts are computed using a risk-free interest rate applicable to the year in which the promise is received. Amortization of the discount is included in contribution revenue. Management determines the allowance for doubtful accounts by using historical experience applied to an aging of accounts. Contributions receivable are written off when deemed uncollectible. Recoveries of contributions receivable previously written off are recorded when received.

Notes to Combined Financial Statements

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Other Receivables: Receivables are carried at original invoice amount less an estimate made for doubtful receivables based on a review of all outstanding amounts on a monthly basis. Management determines the allowance for doubtful accounts by regularly evaluating individual customer receivables and considering a customer's financial condition, credit history, and current economic conditions. Receivables are written off when deemed uncollectible. Recoveries of receivables previously written off are recorded when received.

A receivable is considered to be past due if any portion of the receivable balance is outstanding for more than 90 days. Interest is not charged on past due receivable balances. Management has determined that no allowance is needed at December 31, 2014.

Land, Building and Equipment: Land, building and equipment which exceed \$500 when acquired or received are recorded at cost if purchased or fair value if received as a contribution. Depreciation is provided on the straight-line method over the estimated useful lives of the respective assets. Lives used for calculating depreciation rates for the principal asset classifications are as follows:

Building	40 Years
Furniture and equipment	10 Years
Computer equipment	5 Years

Classification of Net Assets: The Corporation has the following net asset classifications:

Unrestricted: Unrestricted net assets represent resources that are generally available for support of the Corporation's activities.

Net Assets Designated by the Board: Some funds received without donor restrictions have been designated by the Board of Directors for specific use and are included in unrestricted net assets. The Board of Directors has designated net assets for building replacement, special projects, and endowment fund.

Temporarily Restricted: Temporarily restricted net assets are assets that have either donor stipulations as to use or time restrictions placed on them.

Permanently Restricted: Permanently restricted net assets result from donors who stipulate that their donated resources be maintained permanently.

Basis of Presentation: The Corporation has presented its assets and liabilities on the statement of financial position in an unclassified manner, but in order of liquidity.

Notes to Combined Financial Statements

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Contributions: All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted for future periods or are restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a donor restriction expires, that is when a stipulated time restriction ends or purpose restriction is accomplished, restricted net assets are reclassified to unrestricted net assets and are reported in the statement of activities as net assets released from restrictions.

Donor Designated Campaign Contributions: Donor designations to specific organizations for which the donor has not granted variance power to the Corporation are presented as agency transactions in the statement of financial position and are not recognized as revenue. Donor designations to specific organizations are distributed to the agencies. Donor designated pledges are assessed a fundraising and management and general fee based upon actual historical costs. Donor designations to specific organizations are presented in the campaign results in the statement of activities and in contributions receivable and distributions payable in the statement of financial position.

Grants Revenue: Revenue from grants is recognized to the extent that expenses have been incurred for the purpose specified by the grant during the period. Amounts received in excess of related expenses incurred are accounted for as deferred revenue.

Investments: Investments include U.S. Government obligations, mutual funds, corporate bond obligations, and common stock, which are carried at fair value based upon quoted market prices, with gains and losses included in the statement of activities as unrestricted net assets unless the income or loss is restricted by donor or law.

Gift Annuities: United Way Worldwide maintains gift annuities on behalf of another agency of which the Foundation receives 10 percent of the gift to be added to the Foundation's unrestricted net assets. The statement of financial position presents the Foundation's beneficial interest in these annuities of \$22,477 and a corresponding liability of \$20,229 based upon the present value of future cash flows expected to be paid to the other agency. The difference between the change in the asset and the liability each year is included in investment income on the statement of activities.

Beneficial Interest in Assets Held by Others: The Corporation has a beneficial interest in assets held by the Madison Community Foundation (MCF) in the United Way Endowment Fund (Endowment). The Endowment was created by a transfer of assets from the Corporation to MCF, naming the Corporation as beneficiary, and by subsequent contributions made by donors. The Corporation also has a beneficial interest in the William Ogg trust. The Corporation receives 5 percent of the annual income of the trust. The Corporation recognizes changes in its beneficial interest in assets held by others in the accompanying statement of activities as a change in beneficial interest in assets held by others.

Functional Allocation of Expenses: The costs of providing the various programs and other activities have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Notes to Combined Financial Statements

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Income Taxes: The Corporation and the Foundation are exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. The Corporation and the Foundation are also exempt from state income and franchise taxes.

The Corporation and the Foundation follow the provisions of the Uncertainty in Income Taxes Section of the Income Taxes Topic of the FASB Accounting Standards Codification. These provisions address the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements.

The Corporation and the Foundation file a Form 990 (Return of Organization Exempt from Income Tax) annually. When these returns are filed it is highly certain that some positions taken would be sustained upon examination by the taxing authorities, while others are subject to uncertainty about the merits of the position taken or the amount of the position that would ultimately be sustained. Examples of tax positions include such matters as the following; the tax exempt status of the Corporation and the Foundation and various positions relative to potential sources of unrelated business taxable income (UBIT). UBIT is reported on 990T, as appropriate. The benefit of a tax position is recognized in the financial statements in the period during which, based on all available evidence, management believes that it is more likely than not that the position will be sustained upon examination, including the resolution of appeals or litigation processes, if any. As of December 31, 2014, there were no unrecognized tax benefits identified or recorded as liabilities.

Forms 990 filed by the Corporation and the Foundation are subject to examination by the Internal Revenue Service up to three years from the extended due date of each return. Forms 990 filed by the Corporation and the Foundation are no longer subject to examination for the years 2010 and prior.

Subsequent Events: Management of the Corporation has evaluated subsequent events through June 9, 2015, which is the date the financial statements were available to be issued for possible measurement and/or disclosure effects on the financial statements.

Recent Accounting Pronouncements: In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The updated standard will replace most existing revenue recognition guidance in the FASB Accounting Standards Codification (ASC) when it becomes effective and permits the use of either a full retrospective or retrospective with cumulative effect transition method. Early adoption is not permitted. The updated standard will be effective for annual reporting periods beginning after December 15, 2017, and interim periods within annual periods beginning after December 15, 2018. The Corporation has not yet selected a transition method and is currently evaluating the effect that the updated standard will have on the consolidated financial statements.

Note 2. Fair Value Measurements and Investments

Assets and liabilities carried at fair value are required to be classified and disclosed in one of the following three categories:

Level 1: Quoted market prices in active markets for identical assets or liabilities.

Level 2: Observable market based inputs or unobservable inputs that are corroborated by market data.

Level 3: Unobservable inputs that are not corroborated by market data.

United Way of Dane County, Inc., United Way of Dane County Foundation, Inc. and Affiliates

Notes to Combined Financial Statements

Note 2. Fair Value Measurements and Investments (Continued)

In determining the appropriate levels, the Corporation performs a detailed analysis of the assets and liabilities that are carried at fair value in the financial statements.

The table below presents the balances of assets and liabilities measured at fair value on a recurring basis by level within the hierarchy:

	December 31, 2014			
	Total	Level 1	Level 2	Level 3
Investments:				
Fixed income securities:				
U.S. Government obligations	\$ 499,341	\$ 499,341	\$ -	\$ -
Corporate bond obligations	383,507	383,507	-	-
Equity securities:				
U.S. companies:				
Basic materials	254,470	254,470	-	-
Communication services	130,523	130,523	-	-
Consumer cyclical	138,075	138,075	-	-
Consumer defensive	115,540	115,540	-	-
Energy	188,670	188,670	-	-
Financial services	388,210	388,210	-	-
Healthcare	370,481	370,481	-	-
Industrial	252,169	252,169	-	-
Technology	481,364	481,364	-	-
Utilities	127,512	127,512	-	-
Mutual funds:				
U.S. mid-cap growth	279,428	279,428	-	-
U.S. mid-cap value	429,264	429,264	-	-
U.S. mid-cap blend	72,965	72,965	-	-
U.S. small growth	279,042	279,042	-	-
Foreign large growth	259,459	259,459	-	-
Foreign large blend	370,247	370,247	-	-
Foreign small/mid-cap value	87,014	87,014	-	-
Diversified emerging	107,930	107,930	-	-
Intermediate government	672,457	672,457	-	-
Other	13,801	-	-	13,801
Total investments	<u>5,901,469</u>	<u>5,887,668</u>	<u>-</u>	<u>13,801</u>
Beneficial interest in annuity	22,477	-	-	22,477
Beneficial interest in assets held by Madison Community Foundation	779,370	-	-	779,370
Beneficial interest in assets held by Ogg Trust	134,373	-	-	134,373
	<u>\$ 6,837,689</u>	<u>\$ 5,887,668</u>	<u>\$ -</u>	<u>\$ 950,021</u>

United Way of Dane County, Inc., United Way of Dane County Foundation, Inc. and Affiliates

Notes to Combined Financial Statements

Note 2. Fair Value Measurements and Investments (Continued)

The Corporation's investment portfolio consists of debt and equity securities which are traded on the NASDAQ and the NYSE. For the year ended December 31, 2014, valuation techniques for investments have been consistent with the prior year.

The Corporation invests in a professionally managed portfolio that contains equity securities, fixed income securities and mutual funds. Such investments are exposed to various risks such as interest rate, market and credit. Due to the level of risk associated with such investments and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in risks in the near term would materially affect investment balances and the amounts reported in the financial statements.

The Corporation assesses the levels of the investments at each measurement date, and the transfers between levels are recognized on the actual date of the event or change in circumstances that caused the transfer in accordance with the Corporation's accounting policy regarding the recognition of transfers between levels of the fair value hierarchy. For the year ended December 31, 2014, there were no such transfers.

Assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3):

	Beneficial Interest In Assets Held By:			
	Annuity	Madison Community Foundation	Ogg Trust	Other Investments
Beginning balance	\$ 23,063	\$ 781,263	\$ 134,949	\$ 7,551
Increase (decrease) in value	(586)	(1,893)	(576)	6,250
Ending balance	<u>\$ 22,477</u>	<u>\$ 779,370</u>	<u>\$ 134,373</u>	<u>\$ 13,801</u>

Investment income consisted of:

Interest and dividends	\$ 204,628
Net realized and unrealized gains	262,928
	<u>\$ 467,556</u>

Note 3. Contributions Receivable

Contributions receivable - current year and prior year campaigns totaling \$11,827,677 are expected to be collected in 2014. Contributions receivable in future years are expected to be collected by 2015.

United Way of Dane County, Inc., United Way of Dane County Foundation, Inc. and Affiliates

Notes to Combined Financial Statements

Note 4. Land, Building and Equipment

Land, building and equipment consisted of the following at December 31, 2014:

Land	\$ 137,238
Building	3,554,149
Furniture and equipment	<u>1,243,250</u>
	4,934,637
Less accumulated depreciation	<u>2,317,142</u>
	<u>\$ 2,617,495</u>

Note 5. Postretirement Benefits

The Corporation has a defined contribution plan covering substantially all employees who have met certain age and service requirements. The Board of Directors approves the base contribution percentage annually, which for 2014 was 8 percent of compensation. Costs of the plan charged to operations were approximately \$215,100 in 2014.

Note 6. Deferred Compensation Agreement

The Corporation has a deferred compensation agreement with its President/CEO. The deferred compensation expense is being recognized ratably over the term of the agreement and was \$1,068 in 2014. The annual installment made in 2014 was \$17,500. The deferred compensation liability was \$192,400 at December 31, 2014. The full value of the fund will be paid to the president either as a lump sum or in a stated number of equal installments upon the earliest of the following events: reaching seventy and one half years of age; termination of employment; or in an unforeseeable emergency.

United Way of Dane County, Inc., United Way of Dane County Foundation, Inc. and Affiliates

Notes to Combined Financial Statements

Note 7. Vision Council Funding/Designations to Agencies

A total of \$16,006,678 was distributed to agencies and the “Agenda for Change” through the work of the Vision Council and the Community Solutions Teams. These funds were distributed to the following categories:

Community impact	\$ 12,106,323
Agency and volunteer development	<u>3,900,355</u>
Total	<u>16,006,678</u>
Less donor designations to specific organizations	<u>4,998,105</u>
Total community building funds net of designations	<u><u>\$ 11,008,573</u></u>

United Way of Dane County, Inc. has an agreement with Community Health Charities to provide a single community-wide campaign which began with the 2010 campaign. Terms of the agreement provide for Community Health Charities to receive the greater of actual designations or 5.1 percent of private sector net campaign receipts. The actual amount allocated is reduced by a percentage of campaign administration expenses and uncollectible pledges. The allocation was \$496,163 in 2014, which is included in the allocation/awards on the combined statement of functional expenses. The allocation for 2015 will approximate \$521,000.

United Way of Dane County, Inc. has an agreement with the American Heart Association which began with the 2014 campaign. As part of the agreement, the American Heart Association is associated with United Way’s annual campaigns and receives funding. The American Heart Association received \$190,179 in 2014, which is included in the allocation/awards on the combined statement of functional expenses. Its allocation for 2015 will approximate \$197,000.

Note 8. Payments to Affiliated Organizations

United Way of Dane County, Inc. serves the citizens of Dane County, and is independently governed by a local board of community leaders and volunteers. United Way of Dane County, Inc. is dedicated to creating positive change and is a member organization of United Way Worldwide and paid annual membership fees of \$175,543 in 2014.

United Way of Dane County, Inc., United Way of Dane County Foundation, Inc. and Affiliates

Notes to Combined Financial Statements

Note 9. Fiscal Agent Services

United Way of Dane County, Inc. is the fiscal agent for the Partners in Giving Campaign (State, University and University Hospital Employees of Dane County Combined Campaign (SECC)), the Badgerland Combined Federal Campaign, Madison Metropolitan School District, Monona Grove School District and Madison College Combined Campaigns. It has custody of the campaign receipts and is responsible for all disbursements and financial reporting of the fundraising campaigns. The gross pledges received for the respective combined campaigns as of December 31, 2014 were as follows:

Partners In Giving Campaign - SECC	\$ 2,447,441
Badgerland Combined Federal Campaign	186,122
Madison Metropolitan Schools District	63,555
Monona Grove School District	4,496
Madison College	57,201
	<hr/>
Total dollars raised	<u><u>\$ 2,758,815</u></u>

Note 10. Concentrations of Credit Risk

The Corporation has deposits, money market funds and investments in certificates of deposit in financial institutions which exceed the amounts insured by the FDIC. Management does not believe this exposes the Corporation to any unusual credit risk.

Note 11. Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes:

Time restrictions (net campaign pledges received for future periods)	\$ 14,108,057
Programs:	
HealthConnect	1,734,255
Other programs for children, elderly and families	244,702
Alexis de Tocqueville Society	67,939
	<hr/>
	<u><u>\$ 16,154,953</u></u>

Net assets released from restriction for the year ended December 31, 2014 related to the following restrictions:

Time restrictions	\$ 12,294,383
Programs:	
HealthConnect	915,745
Alexis de Tocqueville Society	588
Other programs for children	29,715
	<hr/>
	<u><u>\$ 13,240,431</u></u>

Notes to Combined Financial Statements

Note 12. Permanently Restricted Net Assets

Permanently restricted net assets are restricted for investment in perpetuity. Income earned on these permanently restricted investments are temporarily restricted and have income which may be expendable to support programs for children, elderly and families and other income expendable without donor stipulations. Permanently restricted net assets were \$439,560 at December 31, 2014.

Note 13. Contributed Services

Contributed marketing services of \$61,708 are included in the accompanying statement of activities under the captions noncampaign contributions and resource development. Contributed legal services of \$5,000 are included in the accompanying statement of activities under the captions noncampaign contributions and management and general. Contributed supervisory services of \$52,728 are included in the accompanying statement of activities under the captions noncampaign contributions and program services.

Approximately 40,900 hours in 2014 were volunteered by employees of local companies participating in the Corporation's loaned associates and loaned executives program. Volunteers assist the Corporation during the annual campaign. No value has been assigned or reported in the accompanying financial statements for volunteered services.

Note 14. Endowment Funds

The Corporation's endowment consists of individual funds established for programs intended to protect the future of the children, adult and elderly programs, community building and Vision Council purposes. Its endowments include both donor-restricted endowment funds and funds designated by the Board of Directors to function as an endowment. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Board of Directors of the Corporation has interpreted the Wisconsin Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Corporation classified as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent 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 classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Corporation in a manner consistent with the standard of prudence prescribed by UPMIFA.

United Way of Dane County, Inc., United Way of Dane County Foundation, Inc. and Affiliates

Notes to Combined Financial Statements

Note 14. Endowment Funds (Continued)

The Corporation's endowment net asset composition by type of fund is as follows for the years ended December 31, 2014:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted	\$ -	\$ 244,103	\$ 439,560	\$ 683,663
Board-designated	6,039,085	-	-	6,039,085
Total funds	<u>\$ 6,039,085</u>	<u>\$ 244,103</u>	<u>\$ 439,560</u>	<u>\$ 6,722,748</u>

The changes in endowment by net asset class for the Corporation were as follows for the year ended December 31, 2014:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of the year	<u>\$ 5,652,215</u>	<u>\$ 241,918</u>	<u>\$ 439,560</u>	<u>\$ 6,333,693</u>
Investment return:				
Investment income	130,181	15,057	-	145,238
Net appreciation (realized and unrealized)	214,023	13,397	-	227,420
Total investment return	<u>344,204</u>	<u>28,454</u>	<u>-</u>	<u>372,658</u>
Contributions	<u>263,049</u>	<u>-</u>	<u>-</u>	<u>263,049</u>
Appropriation of endowment assets for expenditures	<u>(220,383)</u>	<u>(26,269)</u>	<u>-</u>	<u>(246,652)</u>
Endowment net assets, end of year	<u>\$ 6,039,085</u>	<u>\$ 244,103</u>	<u>\$ 439,560</u>	<u>\$ 6,722,748</u>

Funds with Deficiencies

From time to time, the fair value of assets associated with the individual donor-restricted endowment fund may fall below the level that the donor or Wisconsin UPMIFA requires the Corporation to retain as a fund of perpetual duration. There were no deficiencies of this nature as of December 31, 2014.

Notes to Combined Financial Statements

Note 14. Endowment Funds (Continued)

Return Objectives and Risk Parameters

The Corporation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Corporation must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. The Corporation expects the endowment fund to achieve competitive investment results by providing total return, balancing growth and preservation of capital that allows the Corporation to pay a portion of assets in grants each year while maintaining purchasing power of the assets.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Corporation 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 Corporation targets a managed diversified asset allocation that places emphasis on debt, government and equity-based investments to achieve its long term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Corporation has a policy of appropriating for distribution each year a percentage of the three-year average quarterly net fair market value of the Corporation assets valued as of December 31 of each year. This calculation is determined by averaging the current quarter value with the prior eleven quarters. The distribution percentage shall be established from time to time by the Corporation Trustees, as they deem appropriate to fulfill the mission of the Corporation. In establishing this policy, the Corporation considered the long-term expected return on its endowment.



**Independent Auditor's Report on the
Supplementary Information**

To the Board of Directors
United Way of Dane County, Inc. and
United Way of Dane County Foundation, Inc.
Madison, Wisconsin

We have audited the combined financial statements of United Way of Dane County, Inc., United Way of Dane County Foundation, Inc. and Affiliates as of and for the year ended December 31, 2014, and have issued our report thereon which contains an unmodified opinion on those combined financial statements. See page 1. Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The combining and other supplementary information is presented for purposes of additional analysis rather than to present the financial position and results of operations of the individual companies and is not a required part of the combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The combining information has been subjected to the auditing procedures applied in the audits of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the combined financial statements as a whole.

McGladrey LLP

Madison, Wisconsin
June 9, 2015

United Way of Dane County, Inc., United Way of Dane County Foundation, Inc. and Affiliates

Combining Statement of Financial Position
December 31, 2014

	United Way of Dane County, Inc.	United Way of Dane County Foundation, Inc.	Affiliates	Eliminations	Total
Assets					
Cash	\$ 274,995	\$ 4,050	\$ -	\$ -	\$ 279,045
Certificates of deposit and money markets	8,092,801	1,849,635	-	-	9,942,436
Investments	10,031	5,891,438	-	-	5,901,469
Contributions receivable:					
Current year campaign, net	10,325,412	-	2,044,541	(1,455,217)	10,914,736
Prior year campaigns, net	894,086	-	18,855	-	912,941
Future years	13,811	-	-	-	13,811
Accrued interest	6,855	20,633	-	-	27,488
Other receivables	828,180	-	-	(72,220)	755,960
Prepaid expenses	138,693	175	2,150	-	141,018
Certificates of deposit and money markets, whose use is limited	193,099	-	880,714	-	1,073,813
Beneficial interest in annuity	-	22,477	-	-	22,477
Beneficial interest in assets held by others	913,743	-	-	-	913,743
Interest in net assets of United Way of Dane County Foundation, Inc.	7,809,885	-	-	(7,809,885)	-
Land, building and equipment, net of accumulated depreciation	2,551,385	66,110	-	-	2,617,495
Total assets	\$ 32,052,976	\$ 7,854,518	\$ 2,946,260	\$ (9,337,322)	\$ 33,516,432
Liabilities and Net Assets					
Liabilities					
Accounts and payroll taxes payable	\$ 294,660	\$ 24,404	\$ 153,462	\$ (131,769)	\$ 340,757
Distributions payable:					
Donor designations from current year campaign	3,173,290	-	2,407,823	(1,150,488)	4,430,625
Donor designations and allocations from prior year campaign	488,779	-	243,178	-	731,957
Gift annuity payable	-	20,229	-	-	20,229
Accrued salary and vacation	143,084	-	-	-	143,084
Deferred compensation	192,400	-	-	-	192,400
Total liabilities	4,292,213	44,633	2,804,463	(1,282,257)	5,859,052
Net Assets					
Unrestricted:					
Available for general activities	4,811,999	601,038	80	(703,904)	4,709,213
Board designated:					
Endowment fund	6,039,085	6,039,085	-	(6,039,085)	6,039,085
Building replacement	258,916	-	-	-	258,916
Special projects	55,653	-	-	-	55,653
Total unrestricted net assets	11,165,653	6,640,123	80	(6,742,989)	11,062,867
Temporarily restricted	16,155,550	730,202	141,717	(872,516)	16,154,953
Permanently restricted	439,560	439,560	-	(439,560)	439,560
Total net assets	27,760,763	7,809,885	141,797	(8,055,065)	27,657,380
Total liabilities and net assets	\$ 32,052,976	\$ 7,854,518	\$ 2,946,260	\$ (9,337,322)	\$ 33,516,432

United Way of Dane County, Inc., United Way of Dane County Foundation, Inc. and Affiliates

Combining Statement of Activities

Year Ended December 31, 2014

	Unrestricted					Temporarily Restricted				
	United Way		Elimin- ations	Total	United Way		Elimin- ations	Total		
	United Way of Dane County, Inc.	of Dane County Foundation, Inc.			of Dane County Foundation, Inc.	of Dane County Affiliates				
Public Support and Revenue										
Total gross campaign results (fall of 2013/2014)	\$ 1,957,661	\$ -	\$ 344,667	\$ (276,733)	\$ 2,025,595	\$ -	\$ -	\$ -	\$ -	\$ -
Total gross campaign results in prior year released from restriction	15,965,515	-	2,551,968	(1,226,107)	17,291,376	(15,965,515)	-	(2,551,968)	1,226,107	(17,291,376)
Total campaign results (fall of 2013/2014)	17,923,176	-	2,896,635	(1,502,840)	19,316,971	(15,965,515)	-	(2,551,968)	1,226,107	(17,291,376)
Less donor designated pledges to specific agencies	4,051,937	-	2,724,013	(1,373,256)	5,402,694	(3,580,514)	-	(2,411,132)	1,110,307	(4,881,339)
Total campaign revenue	13,871,239	-	172,622	(129,584)	13,914,277	(12,385,001)	-	(140,836)	115,800	(12,410,037)
Less allowance for unpaid pledges	260,536	-	4,047	-	264,583	(433,551)	-	(6,094)	-	(439,645)
Net campaign revenue (fall of 2013/2014)	13,610,703	-	168,575	(129,584)	13,649,694	(11,951,450)	-	(134,742)	115,800	(11,970,392)
Total gross campaign results (fall of 2014/2015)	-	-	-	-	-	17,313,249	-	2,758,815	(1,292,802)	18,779,262
Less donor designated pledges to specific agencies	-	-	-	-	-	3,593,598	-	2,505,979	(1,150,488)	4,949,089
Campaign revenue	-	-	-	-	-	13,719,651	-	252,836	(142,314)	13,830,173
Less allowance for unpaid pledges	-	-	-	-	-	489,794	-	6,002	-	495,796
Net campaign revenue (fall of 2014/2015)	-	-	-	-	-	13,229,857	-	246,834	(142,314)	13,334,377
Current year campaign contributions released from restrictions	-	-	105,117	-	105,117	-	-	(105,117)	-	(105,117)
Contributions received in current year for future years	-	-	-	-	-	48,144	-	-	-	48,144
Noncampaign contributions released from restriction	950,941	-	-	-	950,941	(950,941)	-	-	-	(950,941)
Noncampaign contributions	265,652	272,158	-	-	537,810	862,662	-	-	-	862,662
Grants	166,399	-	-	(138,217)	28,182	-	-	-	-	-
Federal grants	533,767	-	-	-	533,767	-	-	-	-	-
Total public support	15,527,462	272,158	273,692	(267,801)	15,805,511	1,238,272	-	6,975	(26,514)	1,218,733
Investment income	39,154	378,940	1,089	-	419,183	-	48,373	-	-	48,373
Change in beneficial interest in assets held by others	(2,470)	-	-	-	(2,470)	-	-	-	-	-
Rental loss, net	(26,303)	-	-	-	(26,303)	(2,953)	-	-	-	(2,953)
Donor designation fees	353,691	-	35,876	-	389,567	-	-	-	-	-
Miscellaneous	91,080	-	-	-	91,080	-	-	-	-	-
Sponsored activities, net	(52,581)	711	-	-	(51,870)	63,749	-	-	-	63,749
Other net assets released from restrictions	53,193	160,788	-	-	213,981	(53,193)	(160,788)	-	-	(213,981)
Total public support and revenue	\$ 15,983,226	\$ 812,597	\$ 310,657	\$ (267,801)	\$ 16,838,679	\$ 1,245,875	\$ (112,415)	\$ 6,975	\$ (26,514)	\$ 1,113,921

(Continued)

United Way of Dane County, Inc., United Way of Dane County Foundation, Inc. and Affiliates

Combining Statement of Activities (Continued)

Year Ended December 31, 2014

	Permanently Restricted					Total	Total
	United Way of Dane County, Inc.	United Way of Dane County Foundation, Inc.	Affiliates	Elimin- ations	Total		
Public Support and Revenue							
Total gross campaign results (fall of 2013/2014)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	2,025,595
Total gross campaign results in prior year released from restriction	-	-	-	-	-	-	-
Total campaign results (fall of 2013/2014)	-	-	-	-	-	-	2,025,595
Less donor designated pledges to specific agencies	-	-	-	-	-	-	521,355
Total campaign revenue	-	-	-	-	-	-	1,504,240
Less allowance for unpaid pledges	-	-	-	-	-	-	(175,062)
Net campaign revenue (fall of 2013/2014)	-	-	-	-	-	-	1,679,302
Total gross campaign results (fall of 2014/2015)	-	-	-	-	-	-	18,779,262
Less donor designated pledges to specific agencies	-	-	-	-	-	-	4,949,089
Campaign revenue	-	-	-	-	-	-	13,830,173
Less allowance for unpaid pledges	-	-	-	-	-	-	495,796
Net campaign revenue (fall of 2014/2015)	-	-	-	-	-	-	13,334,377
Current year campaign contributions released from restrictions	-	-	-	-	-	-	-
Contributions received in current year for future years	-	-	-	-	-	-	48,144
Noncampaign contributions released from restrictions	-	-	-	-	-	-	-
Noncampaign contributions	-	-	-	-	-	-	1,400,472
Grants	-	-	-	-	-	-	28,182
Federal grants	-	-	-	-	-	-	533,767
Total public support	-	-	-	-	-	-	17,024,244
Investment income	-	-	-	-	-	-	467,556
Change in beneficial interest in assets held by others	-	-	-	-	-	-	(2,470)
Rental loss, net	-	-	-	-	-	-	(29,256)
Donor designation fees	-	-	-	-	-	-	389,567
Miscellaneous	-	-	-	-	-	-	91,080
Sponsored activities, net	-	-	-	-	-	-	11,879
Other net assets released from restriction	-	-	-	-	-	-	-
Total public support and revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	17,952,600

(Continued)

United Way of Dane County, Inc., United Way of Dane County Foundation, Inc. and Affiliates

Combining Statement of Activities (Continued)

Year Ended December 31, 2014

	Unrestricted					Temporarily Restricted				
	United Way of Dane County, Inc.	United Way of Dane County Foundation, Inc.	Affiliates	Elimin- ations	Total	United Way of Dane County, Inc.	United Way of Dane County Foundation, Inc.	Affiliates	Elimin- ations	Total
Expenses										
Program services:										
Community Impact	\$ 15,250,273	\$ -	\$ -	\$ (1,426,055)	\$ 13,824,218	\$ -	\$ -	\$ -	\$ -	\$ -
Agency and Volunteer Development	1,503,669	345,472	2,808,803	-	4,657,944	-	-	-	-	-
Total funds awarded/distributed	16,753,942	345,472	2,808,803	(1,426,055)	18,482,162	-	-	-	-	-
Less donor designations	3,565,143	-	2,647,420	(1,214,458)	4,998,105	-	-	-	-	-
Total program expenses	13,188,799	345,472	161,383	(211,597)	13,484,057	-	-	-	-	-
Supporting services:										
Resource development (fundraising)	1,985,287	21,556	149,234	(115,753)	2,040,324	-	-	-	-	-
Management and general	1,014,688	39,601	-	-	1,054,289	-	-	-	-	-
Total supporting services	2,999,975	61,157	149,234	(115,753)	3,094,613	-	-	-	-	-
Total expenses	16,188,774	406,629	310,617	(327,350)	16,578,670	-	-	-	-	-
Change in interest in net assets of United Way of Dane County Foundation, Inc.	405,968	-	-	(405,968)	-	(112,415)	-	-	112,415	-
Increase (decrease) in net assets	\$ 200,420	\$ 405,968	\$ 40	\$ (346,419)	\$ 260,009	\$ 1,133,460	\$ (112,415)	\$ 6,975	\$ 85,901	\$ 1,113,921

(Continued)

United Way of Dane County, Inc., United Way of Dane County Foundation, Inc. and Affiliates

Combining Statement of Activities (Continued)
Year Ended December 31, 2014

	Permanently Restricted					Total	Total
	United Way of Dane County, Inc.	United Way of Dane County Foundation, Inc.	Affiliates	Elimin- ations	Total		
Expenses							
Program services:							
Community Impact	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	13,824,218
Agency and Volunteer Development	-	-	-	-	-	-	4,657,944
Total funds awarded/distributed	-	-	-	-	-	-	18,482,162
Less donor designations	-	-	-	-	-	-	4,998,105
Total program expenses	-	-	-	-	-	-	13,484,057
Supporting services:							
Resource development (fundraising)	-	-	-	-	-	-	2,040,324
Management and general	-	-	-	-	-	-	1,054,289
Total supporting services	-	-	-	-	-	-	3,094,613
Total expenses	-	-	-	-	-	-	16,578,670
Change in interest in net assets of United Way of Dane County Foundation, Inc.	-	-	-	-	-	-	-
Increase (decrease) in net assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	1,373,930

United Way of Dane County, Inc., United Way of Dane County Foundation, Inc. and Affiliates

**Fall of 2013 (2013-2014) Campaign, Other Revenue, Program Services and Supporting Expenses
December 31, 2014**

2013 campaign pledge results:

Gross undesignated campaign results	\$ 13,914,277
Gross designated campaign results	5,402,694
Allowance for unpaid pledges	<u>(415,561)</u>
Net campaign results from the fall of 2013's campaign	18,901,410
Current year campaign contributions released from restrictions	105,117
Unrestricted noncampaign contributions and grants	1,178,532
Federal grants	<u>533,767</u>
Total public support	20,718,826
Investment income	40,243
Rental loss	(26,303)
Net sponsored activity	(52,581)
Miscellaneous income	<u>91,080</u>
Total public support and revenue	<u><u>20,771,265</u></u>

Distributions, program and supporting services:

Program services	18,222,179
Management and general	1,009,688
Resource development/fundraising	<u>1,957,060</u>
Total distributions, program and supporting services	<u>21,188,927</u>
Deficit of public support and operating revenue over total distributions and supporting expenses	<u><u>\$ (417,662)</u></u>

Distributions and services/public support and revenue ratio:

Total distributions and program services	<u>\$ 18,222,179</u>	87.7%
Total public support and revenue	20,771,265	

This report is provided so the reader may better interpret the information shown on the organizations Federal Form 990. This report includes both designated and undesignated pledges made to the fall of 2013's United Way of Dane County campaign. Designated pledges may no longer be reported in the statement of activities. By excluding these designated gifts, only a portion of the campaign results are shown rather than the total support generated by the community for health and human service needs through United Way of Dane County. This statement does not includes in-kind contributions of \$119,436 nor reflect the activity of the United Way of Dane County Foundation.

United Way of Dane County, Inc., United Way of Dane County Foundation, Inc. and Affiliates

Schedule of Expenditures of Federal and State Awards
Year Ended December 31, 2014

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Identifying Number(s) or Contract Code	Federal Expenditures
U.S. Corporation for National and Community Service: Pass-through State of Wisconsin, Department of Administration: AmeriCorps State and National	94.006	AD149889, AD139765	\$ 414,502
U.S. Department of Health and Human Services: Pass-through Center for Medicare and Medicaid Services: Pharmacy Society of Wisconsin: Healthcare Innovation Awards	93.610	N/A	6,449
U.S. Department of Justice: Transitional Housing Assistance for Victims of Domestic Violence, Dating Violence, Stalking, or Sexual Assault	16.736	2010-WH-AX-0006	109,623
U.S. Department of Homeland Security: Emergency Food and Shelter National Board Program	97.024	30-9126-00	<u>3,193</u>
Total expenditures of federal and state awards			<u>\$ 533,767</u>

CFDA - Catalog of Federal Domestic Assistance

See Notes to Schedule of Expenditures of Federal and State Awards.

United Way of Dane County, Inc., United Way of Dane County Foundation, Inc. and Affiliates

Notes to Schedule of Expenditures of Federal and State Awards

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal and state awards includes the federal and state grant activity of United Way of Dane County, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations* and the *State Single Audit Guidelines*, issued by the Wisconsin Department of Administration. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic combined financial statements.

There were no federal awards expended in the form of non-cash assistance, insurance loans, or loan guarantees outstanding at December 31, 2014.

Note 2. Subrecipients

Of the federal expenditures presented in the schedule, United Way of Dane County, Inc. provided federal awards to subrecipients as follows:

Federal CFDA Number	Subrecipient	Program	Federal Expenditures
94.006	Centro Hispano of Dane County	AmeriCorps State and National	\$ 313,544
94.006	Madison Metropolitan School District	AmeriCorps State and National	30,906
94.006	Middleton Cross-Plains School District	AmeriCorps State and National	8,942
16.736	Domestic Abuse Intervention Services	Transitional Housing Assistance for Victims of Domestic Violence, Dating Violence, Stalking or Sexual Assault	803
16.736	YWCA of Madison	Transitional Housing Assistance for Victims of Domestic Violence, Dating Violence, Stalking or Sexual Assault	100,217



**Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based
on an Audit of Financial Statements Performed In Accordance with *Government Auditing
Standards***

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
United Way of Dane County, Inc. and
United Way of Dane County Foundation, Inc.
Madison, Wisconsin

We have audited, in accordance with the auditing standards generally accepting in the United States of American and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the combined financial statements of United Way of Dane County, Inc., United Way of Dane County Foundation, Inc. and Affiliates, which comprise the statement of financial position as of December 31, 2014, and the related statement of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 9, 2015. The financial statements of United Way of Dane County Foundation, Inc. and Affiliates were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered United Way of Dane County, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the United Way of Dane County, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the United Way of Dane County, Inc.'s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether United Way of Dane County, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

McGladrey LLP

Madison, Wisconsin
June 9, 2015



**Report on Compliance for Each Major Federal Program and
Report on Internal Control Over Compliance**

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
United Way of Dane County, Inc. and
United Way of Dane County Foundation, Inc.
Madison, Wisconsin

Report on Compliance for Each Major Federal Program

We have audited United Way of Dane County, Inc.'s compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *State Single Audit Guidelines* that could have a direct and material effect on United Way of Dane County, Inc.'s major federal and major state programs for the year ended December 31, 2014. United Way of Dane County, Inc.'s major federal and major state programs are identified in the summary of auditor's results section of the accompanying *Schedule of Findings and Questioned Costs*.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of United Way of Dane County, Inc.'s major federal and major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in this United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and the *State Single Audit Guidelines* issued by the Wisconsin Department of Administration. Those standards, OMB Circular A-133 and the *State Single Audit Guidelines* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or major state occurred. An audit includes examining, on a test basis, evidence about United Way of Dane County, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of United Way of Dane County, Inc.'s compliance.

Opinion on Each Major Federal and Major State Program

In our opinion, United Way of Dane County, Inc. complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal and major state programs for the year ended December 31, 2014.

Report on Internal Control over Compliance

Management of United Way of Dane County, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit, we considered United Way of Dane County, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and the *State Single Audit Guidelines*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of United Way of Dane County, Inc.'s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and the *State Single Audit Guidelines*. Accordingly, this report is not suitable for any other purpose.

The signature is written in a cursive, handwritten style. It reads "McGladrey LLP".

Madison, Wisconsin
June 9, 2015

United Way of Dane County, Inc., United Way of Dane County Foundation, Inc. and Affiliates

**Schedule of Findings and Questioned Costs
Year Ended December 31, 2014**

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued:	Unmodified
Internal control over financing reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Type of auditor’s report issued on compliance for major program:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133?	No

Identification of major federal programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
94.006	AmeriCorps State and National

Dollar threshold used to distinguish between Type A and Type B programs:	\$300,000
Auditee qualified as low-risk auditee?	Yes

State Awards

Identification of major state programs:

<u>Pass-Through Entity Identifying Numbers</u>	<u>Name of State Program or Cluster</u>
AD14889, AD139765	AmeriCorps State and National

(Continued)

United Way of Dane County, Inc., United Way of Dane County Foundation, Inc. and Affiliates

Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2014

Section II - Financial Statement Findings

No matters were reported.

Section III - Findings and Questioned Costs for Federal and State Awards

No matters were reported.

Section IV - Other Issues

Does the auditor's report or the notes to the financial statements include disclosure with regard to substantial doubt as to the auditee's ability to continue as a going concern? No

Does the audit report show audit issues (i.e. material non-compliance, non-material non-compliance, questioned costs, material weakness, significant deficiency, management letter comment, excess revenue, or excess reserve) related to grants/contracts with funding agencies that require audits to be in accordance with the *State Single Audit Guidelines*? No

Department of Administration No
Department of Health Services No

Was a management letter or other document conveying audit comments issued as a result of this audit? No



Linda Dolezalek, CPA

Date of report: June 9, 2015

United Way of Dane County, Inc., United Way of Dane County Foundation, Inc. and Affiliates

**Summary Schedule of Prior Audit Findings
Year Ended December 31, 2014**

For the year ended December 31, 2013, there were no findings noted.