

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

Combined Financial Report
December 31, 2020

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Independent Auditor's Report

RSM US LLP

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

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, 2020, the related combined statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the combined financial statements (collectively, the financial statements).

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 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 financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way of Dane County, Inc., United Way of Dane County Foundation, Inc. and Affiliates as of December 31, 2020, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited United Way of Dane County, Inc., United Way of Dane County Foundation, Inc. and Affiliates' 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 11, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information, except for that portion marked "unaudited," has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. The information marked "unaudited" has not been subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we do not express an opinion or provide any assurance on it. In our opinion, except for that portion marked "unaudited", the information is fairly stated in all material respects in relation to the 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 10, 2021 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 solely 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 effectiveness of the United Way of Dane County, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering United Way of Dane County, Inc.'s internal control over financial reporting and compliance.

RSM US LLP

Madison, Wisconsin
June 10, 2021

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

Combined Statement of Financial Position

December 31, 2020 (with summarized financial information for 2019)

	2020	2019
Assets		
Cash	\$ 847,700	\$ 733,041
Certificates of deposit and money markets	11,729,166	7,634,867
Investments	13,897,823	10,955,099
Contributions receivable:		
Current year campaign (net of allowance for uncollectible pledges of \$568,203 for 2020)	8,091,805	8,716,409
Prior year campaigns (net of allowance for uncollectible pledges of \$688,128 for 2020)	1,053,403	742,908
Future years	1,000	3,000
Accrued interest	36,791	42,856
Other receivables	638,001	1,337,070
Prepaid expenses	304,275	154,919
Certificates of deposit and money markets, whose use is limited	778,644	848,656
Investments, whose use is limited	290,207	289,985
Beneficial interest in annuity	1,507	1,558
Beneficial interest in assets held by others	911,088	882,514
Land, building, and equipment, net of accumulated depreciation	2,241,728	2,232,803
Total assets	\$ 40,823,138	\$ 34,575,685
Liabilities and net assets		
Liabilities:		
Accounts and payroll taxes payable	\$ 107,676	\$ 191,956
Distributions payable:		
Donor designations from current year campaign	3,747,951	4,031,405
Donor designations and allocations from prior year campaign	645,937	546,597
Gift annuity payable	1,356	1,402
Accrued salary and vacation	87,692	186,880
Deferred compensation	290,207	289,985
Total liabilities	4,880,819	5,248,225
Net assets:		
Without donor restriction		
Available for general activities	7,382,234	5,759,295
Board designated:		
Endowment fund	12,144,942	9,369,913
Building replacement	460,212	348,941
Special projects	2,384,605	382,151
Total net assets without donor restriction	22,371,993	15,860,300
With donor restriction	13,570,326	13,467,160
Total net assets	35,942,319	29,327,460
Total liabilities and net assets	\$ 40,823,138	\$ 34,575,685

See notes to combined financial statements.

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

Combined Statement of Activities

Year Ended December 31, 2020 (with summarized financial information for 2019)

	2020			2019 Total
	Without Donor Restriction	With Donor Restriction	Total	
Public support and revenue:				
Total gross campaign results (fall of 2019/2020)	\$ 6,703,381	\$ -	\$ 6,703,381	\$ 3,291,432
Total gross campaign results in prior year released from restriction	15,672,781	(15,672,781)	-	-
Total campaign results (fall of 2019/2020)	22,376,162	(15,672,781)	6,703,381	3,291,432
Less donor designated pledges to specific agencies	5,569,804	(4,355,539)	1,214,265	606,326
Total campaign revenue	16,806,358	(11,317,242)	5,489,116	2,685,106
Less allowance for unpaid pledges	479,826	(318,018)	161,808	(33,967)
Net campaign revenue (fall of 2019/2020)	16,326,532	(10,999,224)	5,327,308	2,719,073
Total gross campaign results (fall of 2020/2021)	-	15,267,589	15,267,589	15,618,780
Less donor designated pledges to specific agencies	-	3,856,375	3,856,375	4,355,539
Campaign revenue	-	11,411,214	11,411,214	11,263,241
Less allowance for unpaid pledges	-	416,886	416,886	318,019
Net campaign revenue (fall of 2020/2021)	-	10,994,328	10,994,328	10,945,222
Current year campaign contributions released from restriction	81,817	(81,817)	-	-
Contributions received in current year for future years	-	142,500	142,500	143,000
Noncampaign contributions released from restriction	858,564	(858,564)	-	-
Noncampaign contributions	3,278,450	18,894	3,297,344	2,190,898
Grants	495,424	986,494	1,481,918	147,786
Federal grants	694,774	-	694,774	633,031
Paycheck Protection Program	923,000	-	923,000	-
Total public support	22,658,561	202,611	22,861,172	16,779,010
Investment income	1,734,781	111,565	1,846,346	2,144,310
Change in beneficial interest in net assets held by others	28,574	-	28,574	156,289
Rental loss, net of expenses of \$78,266	(11,964)	(4,418)	(16,382)	(13,773)
Donor designation fees	346,336	-	346,336	313,726
Miscellaneous	18,184	-	18,184	73,684
Sponsored activities, net	(101,408)	76,691	(24,717)	9,752
Other net assets released from restriction	283,283	(283,283)	-	-
Total public support and revenue	24,956,347	103,166	25,059,513	19,462,998

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

Combined Statement of Activities (Continued)

Year Ended December 31, 2020 (with summarized financial information for 2019)

	2020			2019 Total
	Without Donor Restriction	With Donor Restriction	Total	
Expenses				
Program services:				
Community impact	\$ 14,847,612	\$ -	\$ 14,847,612	\$ 14,473,228
Agency and volunteer development	5,320,180	-	5,320,180	4,847,293
Total funds awarded/distributed	20,167,792	-	20,167,792	19,320,521
Less donor designations	5,176,760	-	5,176,760	4,704,523
Total program expenses	14,991,032	-	14,991,032	14,615,998
Supporting services:				
Resource development (fundraising)	2,174,132	-	2,174,132	2,204,931
Management and general	1,279,490	-	1,279,490	1,047,257
Total supporting services	3,453,622	-	3,453,622	3,252,188
Total expenses	18,444,654	-	18,444,654	17,868,186
Change in net assets	6,511,693	103,166	6,614,859	1,594,812
Net assets, beginning	15,860,300	13,467,160	29,327,460	27,732,648
Net assets, ending	\$ 22,371,993	\$ 13,570,326	\$ 35,942,319	\$ 29,327,460

See notes to combined financial statements.

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

Combined Statement of Functional Expenses

Year Ended December 31, 2020 (with summarized financial information for 2019)

	Program Services			Supporting Services			2020 Total Expenses	2019 Total Expenses
	Community Impact	Agency and Volunteer Development	Total	Management and General	Resource Development	Total		
Salaries	\$ 1,657,740	\$ 668,075	\$ 2,325,815	\$ 718,968	\$ 1,180,902	\$ 1,899,870	\$ 4,225,685	\$ 4,130,345
Payroll taxes	120,359	51,410	171,769	52,922	89,303	142,225	313,994	306,084
Employee benefits	292,919	137,962	430,881	168,324	236,386	404,710	835,591	805,555
Total salaries and related expenses	2,071,018	857,447	2,928,465	940,214	1,506,591	2,446,805	5,375,270	5,241,984
Professional fees	160,058	69,790	229,848	76,614	65,096	141,710	371,558	177,760
Data processing	108,951	68,878	177,829	67,980	124,489	192,469	370,298	319,306
Supplies	15,642	27,269	42,911	1,843	2,643	4,486	47,397	148,343
Telephone and networks	8,850	21,040	29,890	8,662	12,051	20,713	50,603	44,512
Postage and shipping	182	336	518	6,099	4,247	10,346	10,864	53,022
Occupancy	24,688	29,799	54,487	42,016	59,823	101,839	156,326	171,039
Printing	21,491	22,744	44,235	23,858	127,197	151,055	195,290	275,001
Travel and meeting expense	5,607	2,039	7,646	3,206	5,467	8,673	16,319	70,213
Staff development	5,071	1,930	7,001	32,900	7,243	40,143	47,144	54,319
Insurance	3,062	2,008	5,070	2,092	3,657	5,749	10,819	12,339
Miscellaneous	24,326	1,255	25,581	7,519	105,633	113,152	138,733	134,114
Payments to affiliated organizations	54,422	43,148	97,570	39,426	79,394	118,820	216,390	219,208
Membership dues	7,642	5,873	13,515	6,439	10,651	17,090	30,605	30,497
Total operations before depreciation	2,511,010	1,153,556	3,664,566	1,258,868	2,114,182	3,373,050	7,037,616	6,951,657
Depreciation	40,521	16,388	56,909	20,622	59,950	80,572	137,481	145,951
Total operations	2,551,531	1,169,944	3,721,475	1,279,490	2,174,132	3,453,622	7,175,097	7,097,608
Allocations/awards	12,296,081	4,150,236	16,446,317	-	-	-	16,446,317	15,475,101
Total operations and allocations/awards	14,847,612	5,320,180	20,167,792	1,279,490	2,174,132	3,453,622	23,621,414	22,572,709
Less donor designations	(3,849,841)	(1,326,919)	(5,176,760)	-	-	-	(5,176,760)	(4,704,523)
Total expenses	\$ 10,997,771	\$ 3,993,261	\$ 14,991,032	\$ 1,279,490	\$ 2,174,132	\$ 3,453,622	\$ 18,444,654	\$ 17,868,186

See notes to combined financial statements.

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

Combined Statement of Cash Flows

Year Ended December 31, 2020 (with summarized financial information for 2019)

	2020	2019
Cash flows from operating activities:		
Change in net assets	\$ 6,614,859	\$ 1,594,812
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	158,707	165,637
Gain on investments	(1,482,614)	(1,757,268)
Change in value of beneficial interest in annuity	51	9,359
Change in value of beneficial interest in assets held by others	(28,574)	(156,289)
Forgiveness of Paycheck Protection Program loan	(923,000)	-
Increase (decrease) from changes in:		
Contributions receivable and distributions payable	131,995	(118,453)
Accrued interest	6,065	(505)
Other receivables	699,069	215,177
Prepaid expenses	(149,356)	135,169
Accounts payable and accrued expenses	(183,468)	119,064
Gift annuity payable	(46)	(8,424)
Deferred compensation	222	43,570
Net cash provided by operating activities	4,843,910	241,849
Cash flows from investing activities:		
Purchase of equipment	(170,247)	(130,319)
Purchase of certificates of deposit, money markets and investments	(11,732,476)	(9,480,556)
Proceeds from sales of equipment	2,615	-
Proceeds from maturities and sales of certificates of deposit, money markets and investments	6,247,857	9,394,782
Proceeds from distribution of beneficial interest in asset held by others	-	195,788
Net cash used in investing activities	(5,652,251)	(20,305)
Cash Flows From Financing Activities		
Proceeds from issuance of Paycheck Protection Program loan	923,000	-
Net cash provided by financing activities	923,000	-
Net increase in cash	114,659	221,544
Cash, beginning	733,041	511,497
Cash, ending	\$ 847,700	\$ 733,041

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 the community to achieve measurable results and change lives. 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 UW Health Employees of Dane County Combined Campaign (SECC)), 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 financial statements include the accounts of United Way of Dane County, Inc. and United Way of Dane County Foundation, Inc. as well as all fundraising campaigns for which United Way of Dane County is the fiscal agent, which include SECC, Madison Metropolitan School District, Monona Grove School District and Madison College Combined Campaigns. SECC fiscal agent status is authorized under Administrative Rule section 30 of the Wisconsin Administrative Code. All significant intercompany accounts and transactions have been eliminated in combination.

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.

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 Accounting Principles Generally Accepted (GAAP) in the United States of America. Accordingly, such information should be read in conjunction with the Corporation's financial statements for the year ended December 31, 2019, from which the summarized information was derived.

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 during the reporting period.

Certificates of deposit and money markets: Certificates of deposit and money markets are carried at cost. Certificates of deposit and money markets whose use is limited for Affiliates consists of amounts held for the Partners in Giving Campaign (SECC), Madison Metropolitan School District, Monona Grove School District and Madison College Combined Campaigns.

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

Investments: Investments, including those whose use is limited, include U.S. Government obligations, mutual funds, corporate bond obligations, and common stock, which are carried at fair value, with gains and losses included in the statement of activities as net assets without donor restriction unless the income or loss is restricted by donor or law. Investments, whose use is limited are those investments relating to the deferred compensation agreement discussed in Note 6.

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 (Continued)

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. Management determines the allowance for uncollectible pledges 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.

Current year and prior year campaign totaling \$9,145,208 are expected to be collected in 2021. Contributions receivable in future years are expected to be collected by 2022.

Other receivables: Receivables, which primarily consist of non-campaign contribution pledges and federal grants, 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 balances for collectability. 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, 2020.

Gift annuities: United Way Worldwide, the leadership and support organization for the Corporation, 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 net assets without donor restriction. The combined statement of financial position presents the Foundation's beneficial interest in these annuities of \$1,507 and a corresponding liability of \$1,356 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/loss on the combined 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. The Corporation recognizes changes in its beneficial interest in assets held by others in the accompanying combined statement of activities as a change in beneficial interest in assets held by others.

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
Building improvement	20 Years
Furniture and equipment	10 Years
Computer equipment	5 Years

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 (Continued)

Classification of net assets: The Corporation has the following net asset classifications:

Net assets without donor restriction: Net assets without donor restriction represent resources that are generally available for support of the Corporation's activities. From time to time the Board designates a portion of these net assets for specific purposes. The Board has designated net assets for endowment, building replacement, and special project funds.

Net assets with donor restriction: Net assets with donor restriction are restricted by a donor for use for a particular purpose or in a particular future period. Some donor implied restrictions are temporary in nature and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor imposed restrictions are perpetual in nature; the Corporation must use the resources in accordance with the donor's instructions.

Contributions: All contributions are considered to be without donor restriction unless specifically restricted by the donor and are recorded upon receipt of cash or unconditional pledge. Amounts received that are restricted for future periods or are restricted by the donor for specific purposes are reported as net assets with donor restriction that increases that net asset class. When a donor restriction expires, that is when a stipulated time restriction ends or purpose restriction is accomplished, restricted net assets are reclassified to net assets without donor restriction and are reported in the combined statement of activities as net assets released from restriction.

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 combined 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 combined statement of activities and in contributions receivable and distributions payable in the combined statement of financial position.

Grants revenue: Revenue from grants, including federal grants, is recognized when the barriers have been substantially met (generally when qualifying expenses have been incurred and all other grant requirements have been met). The Corporation has received conditional commitments, which generally represent unexpended grants, amounting to \$1,182,739 which have not been recognized, because the Corporation has not yet met the related barriers.

Paycheck Protection Program: In April 2020, the Corporation received \$923,000 in proceeds through an unsecured loan funded under the Paycheck Protection Program as part of the CARES Act, which was enacted by the U.S. Congress in response to the COVID-19 pandemic. In December 2020, prior to the otherwise scheduled payments under the terms of the loan, the Corporation was notified by the U.S. Small Business Administration that the loan had been forgiven under the provisions of the CARES Act. The gain realized from such forgiveness is included in total public support in the accompanying combined statement of activities for the year ended December 31, 2020.

Functional allocation of expenses: The costs of providing the various programs and other activities have been summarized and presented by function and natural classification. Certain categories of expenses are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated to program services, resource development, and management and general include: Salary, taxes, benefits, telephone expenses, insurance, and membership dues which are allocated based upon individual staff time estimates by department and program areas. Building depreciation is allocated based upon square footage by department, furniture/equipment depreciation is allocated based upon acquisitions, and computer depreciation is allocated based upon staff usage by department.

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 (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 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.

Recently adopted accounting pronouncement: In August 2018, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement*, which modifies the disclosure requirements for fair value measurements by removing, modifying, or adding certain disclosures. The impact of the adoption on the combined financial statements was not material.

Recent accounting pronouncements: In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. The guidance in this ASU and its subsequently issued amendments supersedes the leasing guidance in Topic 840, *Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities. A modified retrospective transition approach is required. An entity may adopt the guidance either (1) retrospectively to each prior reporting period presented in the financial statements with a cumulative-effect adjustment recognized at the beginning of the earliest comparative period presented or (2) retrospectively at the beginning of the period of adoption through a cumulative-effect adjustment. This new standard is effective for the Corporation's reporting year ending December 31, 2022. The Corporation is currently evaluating the impact of the new standard on the combined financial statements.

In September 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which requires a not-for-profit entity to present contributed nonfinancial assets in the statement of activities as a line item that is separate from contributions of cash or other financial assets. ASU 2020-07 also requires additional qualitative and quantitative disclosures about contributed nonfinancial assets received, disaggregated by category. This ASU is effective for the Corporation year ending December 31, 2022. The Corporation is currently evaluating the impact of this new guidance on its combined financial statements.

COVID-19: On January 30, 2020, the World Health Organization declared the coronavirus outbreak (COVID-19) a "Public Health Emergency of International Concern" and on March 11, 2020, declared COVID-19 a pandemic. The impact of COVID-19 did not negatively impact the Corporation's operations and pledge base for the year ended December 31, 2020. It is not known how long adverse conditions associated with COVID-19 will last. The Corporation will continue to monitor market conditions associated with proactive management of investments, receivables and the pledge base.

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 (Continued)

Subsequent events: Management of the Corporation has evaluated subsequent events through June 10, 2021, which is the date the combined financial statements were available to be issued for possible measurement and/or disclosure effects on the combined financial statements.

Note 2. Liquidity and Availability of Resources

The Corporation's financial assets available for general expenditures within one year of December 31, 2020:

Cash	\$ 847,700
Certificates of deposit and money markets	11,729,166
Investments	13,897,823
Contributions receivable, net	9,145,208
Accrued interest	36,791
Certificates of deposit and money markets whose use is limited	778,644
Other receivables	638,001
Total financial assets	37,073,333
Less:	
Amounts unavailable for general expenditures within one year, due to:	
Restricted by donor with purpose restrictions	451,357
Restricted by donor with designations	3,856,375
Restricted by donors in perpetuity	439,560
Total amounts unavailable for general expenditures within one year	4,747,292
Amounts unavailable to management without Board approval:	
Board designated for Endowment fund	12,144,942
Board designated for Building replacement	460,212
Board designated for Special projects	2,384,605
Total amounts unavailable to management without Board approval	14,989,759
Total financial assets available to management for general expenditures within one year	\$ 17,336,282

Liquidity management: The Corporation maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Corporation invests cash in excess of immediate needs into short-term investments. In the event of an unanticipated liquidity need, the Corporation could draw upon its board designated net assets. The contributions receivable are subject to time and purpose restrictions. The time restrictions are expected to be released within one year. Purpose restrictions not expected to be accomplished within one year are removed from financial assets available for general expenditures within one year, as noted above.

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

Notes to Combined Financial Statements

Note 3. Fair Value Measurements and Investments

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and sets out a fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Inputs are broadly defined under the provisions as assumptions market participants would use in pricing an asset or liability. The three levels of the fair value hierarchy under the provisions are described below:

- Level 1. Unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. This level of the fair value hierarchy provides for the most reliable evidence of fair value and is used to measure fair value whenever available.
- Level 2. Inputs other than quoted prices within Level 1 that are observable for the investment, either directly or indirectly. These inputs include quoted prices for similar investments in active markets, quoted prices for identical or similar investments in markets that are not active, and inputs other than quoted prices that are observable for the investment, for example interest rate and yield curves, volatilities, prepayment speeds and credit risk among others. These are inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3. Inputs are unobservable for the investment and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value are based upon the best information in the circumstances and may require significant management judgment estimation.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The Corporation's assessment of the significance of a particular input to the fair value measurement in its entity requires judgment, and considers factors specific to the investment.

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, 2020			
	Total	Level 1	Level 2	Level 3
Investments:				
Fixed income securities:				
U.S. Government obligations	\$ 2,336,369	\$ 2,336,369	\$ -	\$ -
Corporate bond obligations	128,904	128,904	-	-
Equity securities	7,016,580	7,016,580	-	-
Mutual funds:				
Equity	4,272,459	4,272,459	-	-
Fixed income	433,718	431,116	-	2,602
Total investments	14,188,030	14,185,428	-	2,602
Beneficial interest in annuity	1,507	-	-	1,507
Beneficial interest in assets held by Madison Community Foundation	911,088	-	-	911,088
	<u>\$ 15,100,625</u>	<u>\$ 14,185,428</u>	<u>\$ -</u>	<u>\$ 915,197</u>

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

Notes to Combined Financial Statements

Note 3. Fair Value Measurements and Investments (Continued)

The reconciliation of the table above to the statements of financial position is as follows:

Investments	\$ 13,897,823
Investments, whose use is limited	290,207
Beneficial interest in annuity	1,507
Beneficial interest in assets held by others	911,088
	<u>\$ 15,100,625</u>

The following is a description of the valuation techniques used for the Corporation's assets measured at fair value:

Investments: The Corporation's investment portfolio consists of debt and equity securities which are traded on the NASDAQ and the NYSE. Fair value is based on quoted market prices for the individual investment security.

Beneficial interest in annuity: The fair value of the beneficial interest in an annuity is estimated based on the present value of the expected future cash flows expected to be received over the term of the agreement.

Beneficial interest in assets held by others: The beneficial interest in assets held by others are measured at fair value that is determined by underlying assets which are primarily Level 1 and Level 2 investments.

For the year ended December 31, 2020, valuation techniques have been consistent with the prior year.

The Corporation invests in a professionally managed portfolio that contains equity securities, fixed income securities, mutual funds and U.S. Government obligations. 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 combined 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, 2020, there were no such transfers.

Investment income for the year ended December 31, 2020, consisted of:

Interest and dividends	\$ 363,732
Net realized and unrealized gains	1,482,614
	<u>\$ 1,846,346</u>

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, 2020:

Land	\$ 137,238
Building and building improvement	3,783,810
Furniture and equipment	1,631,550
	<u>5,552,598</u>
Less accumulated depreciation	3,310,870
	<u><u>\$ 2,241,728</u></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 year ending December 31, 2020 was 8 percent of compensation. Cost of the plan charged to operations was approximately \$223,800 for the year ended December 31, 2020.

Note 6. Deferred Compensation Agreement

The Corporation has a deferred compensation agreement with its former President/CEO. The deferred compensation expense is adjusted based on the fair market value changes of the underlying fund balance. The change in fair value for the year ended December 31, 2020 was \$15,179. The deferred compensation liability was \$290,207 at December 31, 2020. The full value of the fund will be paid to the former president either as a lump sum or in a stated number of equal installments no later than reaching seventy and one half years of age. The first payment to the former President occurred in 2020.

Note 7. Vision Council Funding/Designations to Agencies

A total of \$16,446,317 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 during the year ended December 31, 2020:

Community impact	\$ 12,296,081
Agency and volunteer development	4,150,236
Total	<u>16,446,317</u>
Less donor designations to specific organizations	5,176,760
Total community building funds net of designations	<u><u>\$ 11,269,557</u></u>

United Way of Dane County, Inc. has an agreement with Community Health Charities, an unrelated nonprofit organization, to provide a single community-wide campaign which began with the 2016 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 approximately \$507,000 in 2020, which is included in the allocation/awards on the combined statement of functional expenses. The allocation for 2021 will approximate \$476,000.

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 (Continued)

United Way of Dane County, Inc. has an agreement with the American Heart Association an unrelated nonprofit organization, which began with the 2015 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 approximately \$195,000 in 2020, which is included in the allocation/awards on the combined statement of functional expenses. The allocation for 2021 will approximate \$175,000.

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 \$216,390 for the year ended December 31, 2020.

Note 9. Fiscal Agent Services

United Way of Dane County, Inc. is the fiscal agent for the Partners in Giving Campaign (State, University and UW Health Employees of Dane County Combined Campaign (SECC)), Madison Metropolitan 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 total gross campaign results (fall of 2020/2021) for the year ended December 31, 2020 were as follows:

Partners In Giving Campaign - SECC	\$ 2,050,179
Madison Metropolitan Schools District	55,972
Madison College	90,771
Total	<u>\$ 2,196,922</u>

Note 10. Net Assets with Donor Restriction

Net assets with donor restriction are restricted for the following purposes:

Subject to expenditure for specified purpose:

HealthConnect	\$ 3,788
Alexis de Tocqueville Society	84,086
	<u>87,874</u>

Subject to the passage of time:

For periods after December 31, 2020	12,679,409
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Subject to Corporation spending policy and appropriation:

Investment in perpetuity (including amounts above original gift amount of \$439,560), which, once appropriated, is expendable to support:

Children, elderly and families	<u>803,043</u>
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Total net assets with donor restriction	<u>\$ 13,570,326</u>
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United Way of Dane County, Inc., United Way of Dane County Foundation, Inc. and Affiliates

Notes to Combined Financial Statements

Note 10. Net Assets with Donor Restriction (Continued)

Net assets released from donor restriction by incurring expenses satisfying the restricted purposes or by occurrence of the passage of time or other events specified by donors.

Purpose restriction accomplished:

HealthConnect	\$ 853,002
Alexis de Tocqueville Society	588
	<hr/> 853,590

Time restriction expired:

Passage of specified time	11,336,031
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Release of appropriated endowment amounts with purpose restriction:

Children, elderly and families	<hr/> 33,267
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Total restrictions released	<hr/><hr/>\$ 12,222,888
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Note 11. Contributed Services

Contributed marketing services of \$76,868 are included in the accompanying combined statement of activities under the captions noncampaign contributions and resource development. Contributed legal services of \$17,245 are included in the accompanying combined statement of activities under the captions noncampaign contributions and management and general. Contributed supervisory services of \$102,220 are included in the accompanying combined statement of activities under the captions noncampaign contributions and program services.

Due to COVID-19, there were no volunteer hours recorded for the year ended December 31, 2020. In past years, hours were volunteered by employees of local companies participating in activities including the Board of Directors, employee campaign managers, loaned executives, operating committees, and program volunteers. Volunteers assist the Corporation during the annual campaign. No value has been assigned or reported in the accompanying combined financial statements for volunteered services.

Note 12. 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. Donor restricted endowment funds include those funds that provide a perpetual source of support for the Corporation's activities (referred to as perpetual endowments) and those that are restricted by donors to investment for a specified term (referred to as term endowments). As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restriction.

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

Notes to Combined Financial Statements

Note 12. Endowment Funds (Continued)

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. Donor restricted endowment funds are subject to a time restriction imposed by UPMIFA until amounts are appropriated for expenditure by the Corporation. In addition, most perpetual donor restricted endowment funds are subject to restrictions on the use of the appropriated amounts. Note 10 describes the purposes for which donor restricted endowment may be used. As a result of this interpretation, the Corporation classified as with donor restriction (a) the original value of gifts donated to the perpetual endowment, (b) the original value of subsequent gifts to the perpetual endowment, and (c) 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 classified in perpetually restricted net assets are included in endowment net assets with donor restriction until those amounts are appropriated for expenditure by the Corporation in a manner consistent with the standard of prudence prescribed by UPMIFA.

The Corporation's endowment net asset composition by type of fund is as follows as of December 31, 2020:

	Without Donor Restriction	With Donor Restriction	Total
Donor-restricted	\$ -	\$ 803,043	\$ 803,043
Board-designated	12,144,942	-	12,144,942
Total funds	<u>\$ 12,144,942</u>	<u>\$ 803,043</u>	<u>\$ 12,947,985</u>

The changes in endowment by net asset class for the Corporation were as follows for the year ended December 31, 2020:

	Without Donor Restriction	With Donor Restriction	Total
Endowment net assets, beginning of the year	<u>\$ 9,369,913</u>	<u>\$ 740,526</u>	<u>\$ 10,110,439</u>
Investment return:			
Investment income	194,254	14,054	208,308
Net appreciation (realized and unrealized)	1,274,996	81,730	1,356,726
Total investment income	<u>1,469,250</u>	<u>95,784</u>	<u>1,565,034</u>
Transfer to board designated	<u>1,717,330</u>	<u>-</u>	<u>1,717,330</u>
Appropriation of endowment assets for expenditures	<u>(411,551)</u>	<u>(33,267)</u>	<u>(444,818)</u>
Endowment net assets, end of year	<u>\$ 12,144,942</u>	<u>\$ 803,043</u>	<u>\$ 12,947,985</u>

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

Notes to Combined Financial Statements

Note 12. Endowment Funds (Continued)

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, 2020.

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.

Supplementary Information

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

Combining Statement of Financial Position
December 31, 2020

	United Way of Dane County, Inc.	United Way of Dane County Foundation, Inc.	Affiliates	Eliminations	Total
Assets					
Cash	\$ 542,322	\$ 305,378	\$ -	\$ -	\$ 847,700
Certificates of deposit and money markets	10,214,476	1,514,690	-	-	11,729,166
Investments	-	13,889,231	8,592	-	13,897,823
Contributions receivable:					
Current year campaign, net	7,322,426	-	1,569,947	(800,568)	8,091,805
Prior year campaigns, net	1,053,403	-	-	-	1,053,403
Future years	1,000	-	-	-	1,000
Accrued interest	18,825	17,966	-	-	36,791
Other receivables	666,060	111,936	-	(139,995)	638,001
Prepaid expenses	303,447	-	828	-	304,275
Certificates of deposit and money markets whose use is limited	-	-	778,644	-	778,644
Investments, whose use is limited	290,207	-	-	-	290,207
Beneficial interest in annuity	-	1,507	-	-	1,507
Beneficial interest in assets held by others	911,088	-	-	-	911,088
Interest in net assets of United Way of Dane County Foundation, Inc.	15,880,873	-	-	(15,880,873)	-
Land, building, and equipment, net of accumulated depreciation	2,175,618	66,110	-	-	2,241,728
Total assets	\$ 39,379,745	\$ 15,906,818	\$ 2,358,011	\$ (16,821,436)	\$ 40,823,138
Liabilities and net assets					
Liabilities:					
Accounts and payroll taxes payable	\$ 92,365	\$ 24,589	\$ 130,717	\$ (139,995)	\$ 107,676
Distributions payable:					
Donor designations from current year campaign	2,657,725	-	1,998,949	(908,723)	3,747,951
Donor designations and allocations from prior year campaign	481,402	-	164,535	-	645,937
Gift annuity payable	-	1,356	-	-	1,356
Accrued salary and vacation	87,692	-	-	-	87,692
Deferred compensation	290,207	-	-	-	290,207
Total liabilities	3,609,391	25,945	2,294,201	(1,048,718)	4,880,819
Net assets:					
Without donor restriction:					
Available for general activities	7,234,599	1,173,220	-	(1,025,585)	7,382,234
Board designated:					
Endowment fund	12,144,942	12,144,942	-	(12,144,942)	12,144,942
Building replacement	460,212	-	-	-	460,212
Special projects	2,384,605	1,403,182	-	(1,403,182)	2,384,605
Total net assets without donor restriction	22,224,358	14,721,344	-	(14,573,709)	22,371,993
With donor restriction	13,545,996	1,159,529	63,810	(1,199,009)	13,570,326
Total net assets	35,770,354	15,880,873	63,810	(15,772,718)	35,942,319
Total liabilities and net assets	\$ 39,379,745	\$ 15,906,818	\$ 2,358,011	\$ (16,821,436)	\$ 40,823,138

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

Combining Statement of Activities

Year Ended December 31, 2020

	Without Donor Restriction				With Donor Restriction						
	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	Total
Public Support and Revenue											
Total gross campaign results (fall of 2019/2020)	\$ 6,781,663	\$ -	\$ 79,767	\$ (158,049)	\$ 6,703,381	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,703,381
Total gross campaign results in prior year released from restriction	14,314,698	-	2,437,009	(1,078,926)	15,672,781	(14,314,698)	-	(2,437,009)	1,078,926	(15,672,781)	-
Total campaign results (fall of 2019/2020)	21,096,361	-	2,516,776	(1,236,975)	22,376,162	(14,314,698)	-	(2,437,009)	1,078,926	(15,672,781)	6,703,381
Less donor designated pledges to specific agencies	4,372,493	-	2,304,349	(1,107,038)	5,569,804	(3,066,040)	-	(2,248,216)	958,717	(4,355,539)	1,214,265
Total campaign revenue	16,723,868	-	212,427	(129,937)	16,806,358	(11,248,658)	-	(188,793)	120,209	(11,317,242)	5,489,116
Less allowance for unpaid pledges	479,733	-	93	-	479,826	(310,222)	-	(7,796)	-	(318,018)	161,808
Net campaign revenue (fall of 2019/2020)	16,244,135	-	212,334	(129,937)	16,326,532	(10,938,436)	-	(180,997)	120,209	(10,999,224)	5,327,308
Total gross campaign results (fall of 2020/2021)	-	-	-	-	-	14,018,871	-	2,196,922	(948,204)	15,267,589	15,267,589
Less donor designated pledges to specific agencies	-	-	-	-	-	2,717,123	-	2,047,975	(908,723)	3,856,375	3,856,375
Campaign revenue	-	-	-	-	-	11,301,748	-	148,947	(39,481)	11,411,214	11,411,214
Less allowance for unpaid pledges	-	-	-	-	-	413,567	-	3,319	-	416,886	416,886
Net campaign revenue (fall of 2020/2021)	-	-	-	-	-	10,888,181	-	145,628	(39,481)	10,994,328	10,994,328
Current year campaign contributions released from restriction	-	-	81,817	-	81,817	-	-	(81,817)	-	(81,817)	-
Contributions received in current year for future years	-	-	-	-	-	142,500	-	-	-	142,500	142,500
Noncampaign contributions released from restriction	858,564	-	-	-	858,564	(858,564)	-	-	-	(858,564)	-
Noncampaign contributions	511,469	2,766,981	-	-	3,278,450	18,894	-	-	-	18,894	3,297,344
Grants	745,101	-	-	(249,677)	495,424	986,494	-	-	-	986,494	1,481,918
Federal grants	694,774	-	-	-	694,774	-	-	-	-	-	694,774
Paycheck Protection Program	923,000	-	-	-	923,000	-	-	-	-	-	923,000
Total public support	19,977,043	2,766,981	294,151	(379,614)	22,658,561	239,069	-	(117,186)	80,728	202,611	22,861,172
Investment income	124,346	1,608,686	1,749	-	1,734,781	-	111,565	-	-	111,565	1,846,346
Change in beneficial interest in assets held by others	28,574	-	-	-	28,574	-	-	-	-	-	28,574
Rental loss, net	(11,964)	-	-	-	(11,964)	(4,418)	-	-	-	(4,418)	(16,382)
Donor designation fees	346,336	-	-	-	346,336	-	-	-	-	-	346,336
Miscellaneous	58,959	1,545	-	(42,320)	18,184	-	-	-	-	-	18,184
Sponsored activities, net	(102,408)	1,000	-	-	(101,408)	76,691	-	-	-	76,691	(24,717)
Other net assets released from restriction	102,530	180,753	-	-	283,283	(102,530)	(180,753)	-	-	(283,283)	-
Total public support and revenue	20,523,416	4,558,965	295,900	(421,934)	24,956,347	208,812	(69,188)	(117,186)	80,728	103,166	25,059,513

(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, 2020

	Without Donor Restriction					With Donor Restriction					Total	Total
	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	\$ 16,162,756	\$ -	\$ -	\$ (1,315,144)	\$ 14,847,612	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,847,612
Agency and volunteer development	2,261,330	545,402	2,513,448	-	5,320,180	-	-	-	-	-	-	5,320,180
Total funds awarded/distributed	18,424,086	545,402	2,513,448	(1,315,144)	20,167,792	-	-	-	-	-	-	20,167,792
Less donor designations	3,849,841	-	2,303,862	(976,943)	5,176,760	-	-	-	-	-	-	5,176,760
Total program expenses	14,574,245	545,402	209,586	(338,201)	14,991,032	-	-	-	-	-	-	14,991,032
Supporting services:												
Resource development (fundraising)	2,099,674	71,877	86,314	(83,733)	2,174,132	-	-	-	-	-	-	2,174,132
Management and general	1,269,308	10,182	-	-	1,279,490	-	-	-	-	-	-	1,279,490
Total supporting services	3,368,982	82,059	86,314	(83,733)	3,453,622	-	-	-	-	-	-	3,453,622
Total expenses	17,943,227	627,461	295,900	(421,934)	18,444,654	-	-	-	-	-	-	18,444,654
Change in interest in net assets of United Way of Dane County Foundation, Inc.	3,931,504	-	-	(3,931,504)	-	(69,188)	-	-	69,188	-	-	-
Change in net assets	6,511,693	3,931,504	-	(3,931,504)	6,511,693	139,624	(69,188)	(117,186)	149,916	103,166	6,614,859	6,614,859
Net assets, beginning	15,712,665	10,789,840	-	(10,642,205)	15,860,300	13,406,372	1,228,717	180,996	(1,348,925)	13,467,160	29,327,460	29,327,460
Net assets, ending	\$ 22,224,358	\$ 14,721,344	\$ -	\$ (14,573,709)	\$ 22,371,993	\$ 13,545,996	\$ 1,159,529	\$ 63,810	\$ (1,199,009)	\$ 13,570,326	\$ 35,942,319	\$ 35,942,319

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

**Fall of 2019 (2019-2020) Campaign, Other Revenue, Program Services
and Supporting Expenses (Unaudited)
December 31, 2020**

2019 campaign pledge results:		
Gross undesignated campaign results	\$ 16,806,356	
Gross designated campaign results	5,569,805	
Allowance for unpaid pledges	<u>(656,980)</u>	
Net campaign results from the fall of 2019's campaign	21,719,181	
Current year campaign contributions released from restrictions	81,817	
Unrestricted noncampaign contributions and grants	2,021,331	
Federal grants	694,774	
Paycheck Protection Program	<u>923,000</u>	
Total public support	25,440,103	
Investment income	30,195	
Rental loss	(11,535)	
Net sponsored activity	(102,408)	
Miscellaneous income	<u>58,959</u>	
Total public support and revenue	<u>25,415,314</u>	
Distributions, program and supporting services:		
Program services	19,769,845	
Management and general	1,252,063	
Resource development/fundraising	<u>2,021,135</u>	
Total distributions, program and supporting services	<u>23,043,043</u>	
Excess of public support and revenue over total distributions, program and supporting services	<u>\$ 2,372,271</u>	
Distributions and services/public support and revenue ratio:		
Total distributions and program services	<u>\$ 19,769,845</u>	78%
Total public support and revenue	25,415,314	

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 2019'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 include in-kind contributions of \$102,220 and the activity of the United Way of Dane County Foundation.



RSM US LLP

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

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

We have audited, in accordance with the auditing standards generally accepting 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, the combined financial statements of United Way of Dane County, Inc., United Way of Dane County Foundation, Inc. and Affiliates, which comprise the combined statement of financial position as of December 31, 2020, and the related combined statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the combined financial statements, and have issued our report thereon dated June 10, 2021. The financial statements of United Way of Dane County Foundation, Inc. and Affiliates were not audited in accordance with *Governmental Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with United Way of Dane County Foundation, Inc. and Affiliates.

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) as a basis for designing 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 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 from 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 statements. 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.

RSM US LLP

Madison, Wisconsin
June 10, 2021