

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

Combined Financial Report  
December 31, 2021

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RSM US LLP

## Independent Auditor's Report

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

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the combined financial statements of the 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, 2021, 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, (collectively, the financial statements).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as of December 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Corporation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Responsibilities of Management for the Financial Statements

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

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

### **Supplementary Information**

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.

**Report on Summarized Comparative Information**

We have previously audited United Way of Dane County, Inc., United Way of Dane County Foundation, Inc. and Affiliates' 2020 financial statements, and we expressed an unmodified audit opinion on those audited combined financial statements in our report dated June 10, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated June 9, 2022 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 9, 2022

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

Combined Statement of Financial Position  
December 31, 2021 (with summarized financial information for 2020)

	2021	2020
<b>Assets</b>		
Cash	\$ 1,930,154	\$ 847,700
Certificates of deposit and money markets	12,649,421	11,729,166
Investments	17,703,852	13,897,823
Contributions receivable:		
Current year campaign (net of allowance for uncollectible pledges of \$507,073 for 2021)	7,893,386	8,091,805
Prior year campaigns (net of allowance for uncollectible pledges of \$905,387 for 2021)	914,493	1,053,403
Future years	356,000	1,000
Accrued interest	31,251	36,791
Other receivables	4,584,559	638,001
Prepaid expenses	229,114	304,275
Certificates of deposit and money markets, whose use is limited	722,551	778,644
Investments, whose use is limited	244,808	290,207
Beneficial interest in annuity	(1,033)	1,507
Beneficial interest in assets held by others	1,039,758	911,088
Land, building, and equipment, net of accumulated depreciation	2,313,888	2,241,728
<b>Total assets</b>	<b>\$ 50,612,202</b>	<b>\$ 40,823,138</b>
<b>Liabilities and net assets</b>		
Liabilities:		
Accounts and payroll taxes payable	\$ 500,263	\$ 107,676
Distributions payable:		
Donor designations from current year campaign	4,035,363	3,747,951
Donor designations and allocations from prior year campaign	700,797	645,937
Gift annuity payable	(930)	1,356
Accrued salary and vacation	91,862	87,692
Deferred compensation	244,808	290,207
<b>Total liabilities</b>	<b>5,572,163</b>	<b>4,880,819</b>
Net assets:		
Without donor restriction		
Available for general activities	8,180,259	7,382,234
Board designated:		
Endowment fund	22,123,359	12,144,942
Building replacement	312,552	460,212
Special projects	632,932	2,384,605
Total net assets without donor restriction	31,249,102	22,371,993
With donor restriction	13,790,937	13,570,326
<b>Total net assets</b>	<b>45,040,039</b>	<b>35,942,319</b>
<b>Total liabilities and net assets</b>	<b>\$ 50,612,202</b>	<b>\$ 40,823,138</b>

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, 2021 (with summarized financial information for 2020)**

	2021		2020
	Without Donor Restriction	With Donor Restriction	
			Total
			Total
<b>Public support and revenue:</b>			
Total gross campaign results (fall of 2020/2021)	\$ 3,761,929	\$ -	\$ 3,761,929
Total gross campaign results in prior year released from restriction	15,328,772	(15,328,772)	-
Total campaign results (fall of 2020/2021)	19,090,701	(15,328,772)	3,761,929
Less donor designated pledges to specific agencies	5,031,011	(3,856,375)	1,174,636
Total campaign revenue	14,059,690	(11,472,397)	2,587,293
Less allowance for unpaid pledges	531,385	(416,886)	114,499
Net campaign revenue (fall of 2020/2021)	13,528,305	(11,055,511)	2,472,794
Total gross campaign results (fall of 2021/2022)	-	15,493,780	15,493,780
Less donor designated pledges to specific agencies	-	4,110,634	4,110,634
Campaign revenue	-	11,383,146	11,383,146
Less allowance for unpaid pledges	-	392,409	392,409
Net campaign revenue (fall of 2021/2022)	-	10,990,737	10,990,737
Current year campaign contributions released from restriction	84,792	(84,792)	-
Contributions received in current year for future years	-	499,000	499,000
Noncampaign contributions released from restriction	199,018	(199,018)	-
Noncampaign contributions	9,563,302	45,577	9,608,879
Grants	936,685	-	936,685
Federal grants	551,241	-	551,241
Paycheck Protection Program	-	-	-
Total public support	24,863,343	195,993	25,059,336
Investment income	2,543,078	162,310	2,705,388
Change in beneficial interest in net assets held by others	128,670	-	128,670
Rental loss, net of expenses of \$91,214	(34,177)	3,523	(30,654)
Donor designation fees	347,086	-	347,086
Miscellaneous	19,440	-	19,440
Sponsored activities, net	(70,674)	72,183	1,509
Other net assets released from restriction	213,398	(213,398)	-
Total public support and revenue	28,010,164	220,611	28,230,775
			25,059,513

(Continued)

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

Combined Statement of Activities (Continued)  
 Year Ended December 31, 2021 (with summarized financial information for 2020)

	2021		2020	
	Without Donor Restriction	With Donor Restriction	Total	Total
<b>Expenses</b>				
Program services:				
Community impact	\$ 14,163,577	\$ -	\$ 14,163,577	\$ 14,847,612
Agency and volunteer development	5,981,812	-	5,981,812	5,320,180
Total funds awarded/distributed	20,145,389	-	20,145,389	20,167,792
Less donor designations	4,594,753	-	4,594,753	5,176,760
Total program expenses	15,550,636	-	15,550,636	14,991,032
Supporting services:				
Resource development (fundraising)	2,240,217	-	2,240,217	2,174,132
Management and general	1,342,202	-	1,342,202	1,279,490
Total supporting services	3,582,419	-	3,582,419	3,453,622
Total expenses	19,133,055	-	19,133,055	18,444,654
<b>Change in net assets</b>				
Net assets, beginning	8,877,109	220,611	9,097,720	6,614,859
Net assets, ending	22,371,993	13,570,326	35,942,319	29,327,460
	\$ 31,249,102	\$ 13,790,937	\$ 45,040,039	\$ 35,942,319

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, 2021 (with summarized financial information for 2020)**

	Program Services			Supporting Services			2021 Total Expenses	2020 Total Expenses
	Community Impact	Agency and Volunteer Development	Total	Management and General	Resource Development	Total		
Salaries	\$ 1,703,947	\$ 709,161	\$ 2,413,108	\$ 754,771	\$ 1,190,332	\$ 1,945,103	\$ 4,358,211	\$ 4,225,685
Payroll taxes	119,044	53,543	172,587	54,889	88,531	143,420	316,007	313,994
Employee benefits	344,967	162,819	507,786	176,380	249,896	426,276	934,062	835,591
Total salaries and related expenses	2,167,958	925,523	3,093,481	986,040	1,528,759	2,514,799	5,608,280	5,375,270
Professional fees	854,594	53,577	908,171	63,273	45,195	108,468	1,016,639	371,558
Data processing	200,500	71,410	271,910	71,703	123,700	195,403	467,313	370,298
Supplies	8,653	33,381	42,034	481	433	914	42,948	47,397
Telephone and networks	10,612	19,336	29,948	7,702	10,935	18,637	48,585	50,603
Postage and shipping	3,683	137	3,820	4,746	2,780	7,526	11,346	10,864
Occupancy	33,264	35,433	68,697	47,570	70,920	118,490	187,187	156,326
Printing	32,379	28,553	60,932	18,469	127,103	145,572	206,504	195,290
Travel and meeting expense	1,365	11,797	13,162	2,876	1,372	4,248	17,410	16,319
Staff development	13,154	1,254	14,408	24,723	7,691	32,414	46,822	47,144
Insurance	3,713	2,059	5,772	2,158	3,590	5,748	11,520	10,819
Miscellaneous	16,493	1,171	17,664	10,646	121,084	131,730	149,394	138,733
Payments to affiliated organizations	117,947	71,505	189,452	76,096	122,133	198,229	387,681	216,390
Membership dues	9,042	5,835	14,877	6,105	10,195	16,300	31,177	30,605
Total operations before depreciation	3,473,357	1,260,971	4,734,328	1,322,588	2,175,890	3,498,478	8,232,806	7,037,616
Depreciation	42,920	16,033	58,953	19,614	64,327	83,941	142,894	137,481
Total operations	3,516,277	1,277,004	4,793,281	1,342,202	2,240,217	3,582,419	8,375,700	7,175,097
Allocations/awards	10,647,300	4,704,808	15,352,108	-	-	-	15,352,108	16,446,317
Total operations and allocations/awards	14,163,577	5,981,812	20,145,389	1,342,202	2,240,217	3,582,419	23,727,808	23,621,414
Less donor designations	(3,444,874)	(1,149,879)	(4,594,753)	-	-	-	(4,594,753)	(5,176,760)
Total expenses	\$ 10,718,703	\$ 4,831,933	\$ 15,550,636	\$ 1,342,202	\$ 2,240,217	\$ 3,582,419	\$ 19,133,055	\$ 18,444,654

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, 2021 (with summarized financial information for 2020)**

	2021	2020
Cash flows from operating activities:		
Change in net assets	\$ 9,097,720	\$ 6,614,859
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	165,695	158,707
Gain on investments	(2,477,555)	(1,482,614)
Change in value of beneficial interest in annuity	2,540	51
Change in value of beneficial interest in assets held by others	(128,670)	(28,574)
Forgiveness of Paycheck Protection Program loan	-	(923,000)
Increase (decrease) from changes in:		
Contributions receivable and distributions payable	324,601	131,995
Accrued interest	5,540	6,065
Other receivables	(3,946,558)	699,069
Prepaid expenses	75,161	(149,356)
Accounts payable and accrued expenses	396,757	(183,468)
Gift annuity payable	(2,286)	(46)
Deferred compensation	(45,399)	222
<b>Net cash provided by operating activities</b>	<b>3,467,546</b>	<b>4,843,910</b>
Cash flows from investing activities:		
Purchase of equipment	(237,855)	(170,247)
Purchase of certificates of deposit, money markets and investments	(11,552,942)	(11,732,476)
Proceeds from sales of equipment	-	2,615
Proceeds from maturities and sales of certificates of deposit, money markets and investments	9,405,705	6,247,857
<b>Net cash used in investing activities</b>	<b>(2,385,092)</b>	<b>(5,652,251)</b>
Cash Flows from financing activities		
Proceeds from issuance of Paycheck Protection Program loan	-	923,000
<b>Net cash provided by financing activities</b>	<b>-</b>	<b>923,000</b>
<b>Net increase in cash</b>	<b>1,082,454</b>	<b>114,659</b>
Cash, beginning	847,700	733,041
Cash, ending	<b>\$ 1,930,154</b>	<b>\$ 847,700</b>

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

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#### 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.

**Accounting policies:** The Campaign follows accounting standards established by the Financial Accounting Standards Board (the FASB) to ensure consistent reporting of financial condition, changes in net assets, and cash flows. References to Generally Accepted Accounting Principles (GAAP) in these footnotes are to the FASB Accounting Standards Codification, sometimes referred to as the Codification or ASC.

**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, 2020, 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.

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

**Notes to Combined Financial Statements**

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

**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.

**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 \$8,807,879 are expected to be collected in 2022. Contributions receivable in future years are expected to be collected by 2023.

**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, 2021.

**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 (\$1,033) and a corresponding liability of (\$930) based upon the present value of future cash flows expected to be paid to the other agency. At December 31, 2021 the fair value of the annuity was negative. 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. The market value of the annuities was negative.

**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

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#### 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 \$1,116,362 which have not been recognized, because the Corporation has not yet met the related barriers.

**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

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#### 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 income tax (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.

**Recent accounting pronouncements:** In February 2016, the FASB issued Accounting Standards Update (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 combined 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 combined 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.

**Subsequent events:** Management of the Corporation has evaluated subsequent events through June 9, 2022, 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.

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

**Notes to Combined Financial Statements**

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**Note 2. Liquidity and Availability of Resources**

The Corporation's financial assets available for general expenditures within one year of December 31, 2021:

Cash	\$ 1,930,154
Certificates of deposit and money markets	12,649,421
Investments	17,703,852
Contributions receivable, net	8,807,879
Accrued interest	31,251
Certificates of deposit and money markets whose use is limited	722,551
Other receivables	1,012,500
Total financial assets	<u>42,857,608</u>
<b>Less:</b>	
Amounts unavailable for general expenditures within one year, due to:	
Restricted by donor with purpose restrictions	624,160
Restricted by donor with designations	4,110,634
Restricted by donors in perpetuity	439,560
Non-campaign pledge due in future years	
Total amounts unavailable for general expenditures within one year	<u>5,174,354</u>
<b>Amounts unavailable to management without Board approval:</b>	
Board designated for Endowment fund	22,123,359
Board designated for Building replacement	312,552
Board designated for Special projects	632,932
Total amounts unavailable to management without Board approval	<u>23,068,843</u>
Total financial assets available to management for general expenditures within one year	<u>\$ 14,614,411</u>

**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 investments measured at fair value on a recurring basis by level within the hierarchy:

	December 31, 2021			
	Total	Level 1	Level 2	Level 3
Investments:				
Fixed income securities:				
U.S. Government obligations	\$ 2,900,420	\$ 2,900,420	\$ -	\$ -
Corporate bond obligations	181,947	181,947	-	-
Equity securities	8,934,125	8,934,125	-	-
Mutual funds:				
Equity	5,180,944	5,180,944	-	-
Fixed income	750,889	750,889	-	-
Other	335	-	-	335
Total investments	17,948,660	17,948,325	-	335
Beneficial interest in annuity	(1,033)	-	-	(1,033)
Beneficial interest in assets held by Madison Community Foundation	1,039,758	-	-	1,039,758
	<u>\$ 18,987,385</u>	<u>\$ 17,948,325</u>	<u>\$ -</u>	<u>\$ 1,039,060</u>



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

**Notes to Combined Financial Statements**

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**Note 3. Fair Value Measurements and Investments (Continued)**

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

Investments	\$ 17,703,852
Investments, whose use is limited	244,808
Beneficial interest in annuity	(1,033)
Beneficial interest in assets held by others	1,039,758
	<u>\$ 18,987,385</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 Level 1, Level 2 and Level 3 investments.

For the year ended December 31, 2021, 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.

Investment income for the year ended December 31, 2021, consisted of:

Interest and dividends	\$ 227,833
Net realized and unrealized gains	2,477,555
	<u>\$ 2,705,388</u>

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

**Notes to Combined Financial Statements**

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**Note 4. Land, Building and Equipment**

Land, building and equipment consisted of the following at December 31, 2021:

Land	\$ 137,238
Building and building improvement	3,956,470
Furniture and equipment	1,696,745
	<u>5,790,453</u>
Less accumulated depreciation	3,476,565
	<u>\$ 2,313,888</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, 2021 was 8 % of compensation. Cost of the plan charged to operations was approximately \$275,200 for the year ended December 31, 2021.

**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, 2021 was \$17,561. The deferred compensation liability was \$244,808 at December 31, 2021. The full value of the fund will be paid to the former president in 20 quarterly installments, which began in 2020. The deferred compensation distributions in 2021 were \$62,959.

**Note 7. Vision Council Funding/Designations to Agencies**

A total of \$20,145,389 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, 2021:

Community impact	\$ 14,163,577
Agency and volunteer development	5,981,812
Total	<u>20,145,389</u>
Less donor designations to specific organizations	4,594,753
Total community building funds net of designations	<u>\$ 15,550,636</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 \$510,000 in 2021, which is included in the allocation/awards on the combined statement of functional expenses. The allocation for 2022 will approximate \$415,000.

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

### Notes to Combined Financial Statements

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#### 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 \$192,000 in 2021, which is included in the allocation/awards on the combined statement of functional expenses. The allocation for 2022 will approximate \$159,000.

#### 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 \$387,681 for the year ended December 31, 2021.

#### 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 2021/2022) for the year ended December 31, 2021 were as follows:

Partners In Giving Campaign - SECC	\$ 1,950,301
Madison Metropolitan Schools District	38,545
Monona Grove School District	1,360
Madison College	91,139
Total	<u>\$ 2,081,345</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	\$ 33,410
Alexis de Tocqueville Society	99,025
	<u>132,435</u>
Subject to the passage of time:	
For periods after December 31, 2021	12,727,217
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>931,285</u>
Total net assets with donor restriction	<u>\$ 13,790,937</u>

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

**Notes to Combined Financial Statements**

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**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	\$ 3,782
Alexis de Tocqueville Society	529
	<hr/> 4,311
Time restriction expired:	
Passage of specified time	11,514,474
Release of appropriated endowment amounts with purpose restriction:	
Children, elderly and families	33,934
	<hr/> 33,934
Total restrictions released	<hr/> <u>\$ 11,552,719</u>

**Note 11. Contributed Services**

Contributed marketing services of \$76,833 are included in the accompanying combined statement of activities under the captions noncampaign contributions and resource development. Contributed legal services of \$266 are included in the accompanying combined statement of activities under the captions noncampaign contributions and management and general. Contributed supervisory services of \$147,103 are included in the accompanying combined statement of activities under the captions noncampaign contributions and program services.

Approximately 37,000 hours in 2021 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, 2021:

	Without Donor Restriction	With Donor Restriction	Total
Donor-restricted	\$ -	\$ 931,285	\$ 931,285
Board-designated	22,123,359	-	22,123,359
Total funds	<u>\$ 22,123,359</u>	<u>\$ 931,285</u>	<u>\$ 23,054,644</u>

The changes in endowment by net asset class for the Corporation were as follows for the year ended December 31, 2021:

	Without Donor Restriction	With Donor Restriction	Total
Endowment net assets, beginning of the year	<u>\$ 12,144,942</u>	<u>\$ 803,043</u>	<u>\$ 12,947,985</u>
Investment return:			
Investment income	174,279	12,005	186,284
Net appreciation (realized and unrealized)	2,148,788	150,171	2,298,959
Total investment income	<u>2,323,067</u>	<u>162,176</u>	<u>2,485,243</u>
Transfer to board designated	<u>8,131,317</u>	<u>-</u>	<u>8,131,317</u>
Appropriation of endowment assets for expenditures	<u>(475,967)</u>	<u>(33,934)</u>	<u>(509,901)</u>
Endowment net assets, end of year	<u>\$ 22,123,359</u>	<u>\$ 931,285</u>	<u>\$ 23,054,644</u>

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

**Notes to Combined Financial Statements**

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**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, 2021.

***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.

**Note 13. Pledge Receivable**

During 2021, the Foundation received an unconditional non-campaign pledge receivable which is included in the endowment fund. The Foundation will receive payments over the next four years. The pledge receivable has been discounted using the U.S treasury rate of 1.51%. The pledge receivable is included in other receivables on the statement of financial position.

Non-campaign pledge receivable	\$ 4,050,000
Less unamortized discount	133,670
Net pledges receivable	<u>\$ 3,916,330</u>
Amounts due in:	
Less than one year	\$ 1,012,500
One to four years	2,903,830
Total	<u>\$ 3,916,330</u>

## **Supplementary Information**

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

Combining Statement of Financial Position  
December 31, 2021

	United Way of Dane County, Inc.	United Way of Dane County Foundation, Inc.	Affiliates	Eliminations	Total
<b>Assets</b>					
Cash	\$ 177,266	\$ 1,752,888	\$ -	\$ -	\$ 1,930,154
Certificates of deposit and money markets	11,115,739	1,533,643	39	-	12,649,421
Investments	202,183	17,501,669	-	-	17,703,852
Contributions receivable:					
Current year campaign, net	7,233,353	-	1,426,520	(766,487)	7,893,386
Prior year campaigns, net	910,366	-	4,127	-	914,493
Future years	356,000	-	-	-	356,000
Accrued interest	12,106	19,145	-	-	31,251
Other receivables	423,508	4,272,469	-	(111,418)	4,584,559
Prepaid expenses	228,114	-	1,000	-	229,114
Certificates of deposit and money markets whose use is limited	-	-	722,551	-	722,551
Investments, whose use is limited	244,808	-	-	-	244,808
Beneficial interest in annuity	-	(1,033)	-	-	(1,033)
Beneficial interest in assets held by others	1,039,758	-	-	-	1,039,758
Interest in net assets of United Way of Dane County Foundation, Inc.	25,112,027	-	-	(25,112,027)	-
Land, building, and equipment, net of accumulated depreciation	2,247,778	66,110	-	-	2,313,888
<b>Total assets</b>	<b>\$ 49,303,006</b>	<b>\$ 25,144,891</b>	<b>\$ 2,154,237</b>	<b>\$ (25,989,932)</b>	<b>\$ 50,612,202</b>
<b>Liabilities and net assets</b>					
Liabilities:					
Accounts and payroll taxes payable	\$ 491,146	\$ 33,794	\$ 86,741	\$ (111,418)	\$ 500,263
Distributions payable:					
Donor designations from current year campaign	3,021,635	-	1,852,889	(839,161)	4,035,363
Donor designations and allocations from prior year campaign	569,620	-	131,177	-	700,797
Gift annuity payable	-	(930)	-	-	(930)
Accrued salary and vacation	91,862	-	-	-	91,862
Deferred compensation	244,808	-	-	-	244,808
<b>Total liabilities</b>	<b>4,419,071</b>	<b>32,864</b>	<b>2,070,807</b>	<b>(950,579)</b>	<b>5,572,163</b>
Net assets:					
Without donor restriction:					
Available for general activities	8,032,624	1,471,898	-	(1,324,263)	8,180,259
Board designated:					
Endowment fund	22,123,359	22,123,359	-	(22,123,359)	22,123,359
Building replacement	312,552	-	-	-	312,552
Special projects	632,932	331,577	-	(331,577)	632,932
Total net assets without donor restriction	31,101,467	23,926,834	-	(23,779,199)	31,249,102
With donor restriction	13,782,468	1,185,193	83,430	(1,260,154)	13,790,937
<b>Total net assets</b>	<b>44,883,935</b>	<b>25,112,027</b>	<b>83,430</b>	<b>(25,039,353)</b>	<b>45,040,039</b>
<b>Total liabilities and net assets</b>	<b>\$ 49,303,006</b>	<b>\$ 25,144,891</b>	<b>\$ 2,154,237</b>	<b>\$ (25,989,932)</b>	<b>\$ 50,612,202</b>



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

## Combining Statement of Activities Year Ended December 31, 2021

	Without Donor Restriction			With Donor Restriction			Total
	United Way of Dane County, Inc.	United Way of Dane County Foundation, Inc.	Total	United Way of Dane County Foundation, Inc.	Affiliates	Eliminations	
<b>Public Support and Revenue</b>							
Total gross campaign results (fall of 2020/2021)	\$ 3,796,779	\$ -	\$ 3,796,929	\$ -	\$ -	\$ -	\$ 3,761,929
Total gross campaign results in prior year released from restriction	14,161,871	2,115,105	15,328,772	(948,204)	(2,115,105)	948,204	(15,328,772)
Total campaign results (fall of 2020/2021)	17,958,650	2,204,165	19,090,701	(14,161,871)	(2,115,105)	948,204	3,761,929
Less donor designated pledges to specific agencies	3,910,191	2,125,151	5,031,011	(2,717,123)	(2,047,975)	908,723	1,174,636
Total campaign revenue	14,048,459	79,014	14,059,690	(11,444,748)	(67,130)	39,481	2,587,293
Less allowance for unpaid pledges	522,436	8,949	531,385	(413,567)	(3,319)	-	114,499
Net campaign revenue (fall of 2020/2021)	13,526,023	70,065	13,528,305	(11,031,181)	(63,811)	39,481	2,472,794
Total gross campaign results (fall of 2021/2022)	-	-	-	14,326,558	2,081,345	(914,123)	15,493,780
Less donor designated pledges to specific agencies	-	-	-	3,041,407	1,908,388	(839,161)	4,110,634
Campaign revenue	-	-	-	11,285,151	172,957	(74,962)	11,383,146
Less allowance for unpaid pledges	-	-	-	387,675	4,734	-	392,409
Net campaign revenue (fall of 2021/2022)	-	-	-	10,897,476	168,223	(74,962)	10,990,737
Current year campaign contributions released from restriction	-	84,792	84,792	-	(84,792)	-	-
Contributions received in current year for future years	199,018	-	199,018	499,000	-	-	499,000
Noncampaign contributions released from restriction	2,576,540	8,255,582	9,563,302	(199,018)	-	-	(199,018)
Noncampaign contributions	936,685	-	936,685	45,577	-	-	45,577
Federal grants	551,241	-	551,241	-	-	-	-
Paycheck Protection Program	-	-	-	-	-	-	-
Total public support	17,789,507	8,255,582	24,863,343	211,854	19,620	(35,481)	25,065,336
Investment income	13,964	2,528,076	2,543,078	-	-	-	2,705,388
Change in beneficial interest in assets held by others	128,670	-	128,670	-	-	-	128,670
Rental loss, net	347,086	-	347,086	3,523	-	-	(30,654)
Donor designation fees	65,418	1,342	66,760	-	-	-	347,086
Miscellaneous	76,752	798	77,550	(47,320)	-	-	19,440
Sponsored activities, net	-	-	-	(70,674)	-	-	-
Other net assets released from restriction	-	136,646	136,646	(76,752)	-	-	72,183
Total public support and revenue	18,315,748	10,922,444	28,010,164	210,808	19,620	(35,481)	28,230,775

(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, 2021**

	Without Donor Restriction				With Donor Restriction				Total
	United Way of Dane County, Inc.	United Way of Dane County Foundation, Inc.	Affiliates	Eliminations	Total	United Way of Dane County Foundation, Inc.	Affiliates	Eliminations	
<b>Expenses</b>									
Program services:									
Community impact	\$ 16,309,695	\$ -	\$ -	\$ (2,146,118)	\$ 14,163,577	\$ -	\$ -	\$ -	\$ 14,163,577
Agency and volunteer development	2,303,607	1,609,909	2,068,296	-	5,981,812	-	-	-	5,981,812
Total funds awarded/distributed	18,613,302	1,609,909	2,068,296	(2,146,118)	20,145,389	-	-	-	20,145,389
Less donor designations	3,444,874	-	1,997,686	(847,807)	4,594,753	-	-	-	4,594,753
Total program expenses	15,168,428	1,609,909	70,610	(1,298,311)	15,550,636	-	-	-	15,550,636
Supporting services:									
Resource development (fundraising)	2,145,310	95,234	85,285	(85,612)	2,240,217	-	-	-	2,240,217
Management and general	1,330,391	11,811	-	-	1,342,202	-	-	-	1,342,202
Total supporting services	3,475,701	107,045	85,285	(85,612)	3,582,419	-	-	-	3,582,419
Total expenses	18,644,129	1,716,954	155,895	(1,383,923)	19,133,055	-	-	-	19,133,055
Change in interest in net assets of United Way of Dane County Foundation, Inc.	9,205,490	-	-	(9,205,490)	-	25,664	-	(25,664)	-
Change in net assets	8,877,109	9,205,490	-	(9,205,490)	8,877,109	236,472	19,620	(61,145)	220,611
Net assets, beginning	22,224,358	14,721,344	-	(14,573,709)	22,371,993	13,545,986	63,810	(1,199,009)	35,942,319
Net assets, ending	\$ 31,101,467	\$ 23,926,834	\$ -	\$ (23,779,199)	\$ 31,249,102	\$ 13,782,468	\$ 83,430	\$ (1,260,154)	\$ 45,040,039

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

**Fall of 2020 (2020-2021) Campaign, Other Revenue, Program Services  
and Supporting Expenses (Unaudited)**

**December 31, 2021**

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2020 campaign pledge results:

Gross undesignated campaign results	\$ 14,059,690	
Gross designated campaign results	5,031,011	
Allowance for unpaid pledges	<u>(761,283)</u>	
Net campaign results from the fall of 2020's campaign	18,329,418	
Current year campaign contributions released from restrictions	84,793	
Unrestricted noncampaign contributions and grants	3,560,450	
Federal grants	<u>551,242</u>	
Total public support	22,525,903	
Investment loss	(64,693)	
Rental loss	(34,004)	
Net sponsored activity	(71,472)	
Miscellaneous income	<u>65,476</u>	
<b>Total public support and revenue</b>	<b><u>22,421,210</u></b>	

Distributions, program and supporting services:

Program services	19,657,193	
Management and general	1,330,125	
Resource development/fundraising	<u>2,063,931</u>	
Total distributions, program and supporting services	<u>23,051,249</u>	
<b>Deficit of public support and revenue over total distributions, program and supporting services</b>	<b><u>\$ (630,039)</u></b>	

Distributions and services/public support and revenue ratio:

Total distributions and program services	<u>\$ 19,657,193</u>	88%
Total public support and revenue	22,421,210	

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 2020's United Way of Dane County campaign. As a part of a change in accounting practice, we are no longer able to report designated pledges in the statement of activities. By excluding these designated gifts, we are only able to show a portion of the campaign results and not the total support generated by the community for health and human service needs. This statement does not includes in-kind contributions of \$147,102 and the activity of the United Way of Dane County Foundation.

**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, 2021, 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 9, 2022. 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.

**Report on 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.

**Report on 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 9, 2022