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

Combined Financial Report
December 31, 2018

Contents

Independent auditor's report	1-2
Combined financial statements	
Combined statement of financial position	3
Combined statement of activities	4-5
Combined statement of functional expenses	6
Combined statement of cash flows	7
Notes to combined financial statements	8-21
Supplementary information	
Combining statement of financial position	22
Combining statement of activities	23-24
Fall of 2017 (2017-2018) campaign, other revenue, program services and supporting expenses (unaudited)	25
Compliance and internal control matters	
Report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with *Governmental Auditing Standards*	26-27

Independent Auditor's Report

Board of Directors
United Way of Dane Country, Inc.
United Way of Dan 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, 2018, 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).

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, 2018, 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.

Emphasis of Matter

The Corporation adopted ASU 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit,* during 2018. The adoption of the standard resulted in additional footnote disclosures and changes to the classification of net assets and the disclosures related to net assets. Our opinion is not modified with respect to this matter.

Report on Summarized Comparative Information

We have previously audited United Way of Dane County, Inc., United Way of Dane County Foundation, Inc., and Affiliates' 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 14, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matter

Our audits were 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 audits 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 13, 2019 on our consideration of United Way of Dane County, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 13, 2019

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

Combined Statement of Financial Position
December 31, 2018 (with summarized financial information for 2017)

	2018	2017
Assets		
Cash	**$ 511,497**	$ 352,158
Certificates of deposit and money markets	**7,907,445**	7,859,779
Investments	**8,961,378**	9,336,580
Contributions receivable:		
Current year campaign (net of allowance for uncollectible pledges of $512,639 for 2018)	**8,820,691**	9,740,613
Prior year campaigns (net of allowance for uncollectible pledges of $662,844 for 2018)	**829,898**	1,086,382
Future years	**10,000**	-
Accrued interest	**42,351**	36,185
Other receivables	**1,552,247**	1,425,802
Prepaid expenses	**290,088**	224,229
Certificates of deposit and money markets, whose use is limited	**770,327**	920,646
Investments, whose use is limited	**246,415**	255,522
Beneficial interest in annuity	**10,917**	16,067
Beneficial interest in assets held by others	**922,013**	989,048
Land, building, and equipment, net of accumulated depreciation	**2,268,121**	2,393,335
Total assets	**$ 33,143,388**	$ 34,636,346
Liabilities and net assets		
Liabilities:		
Accounts and payroll taxes payable	**$ 88,202**	$ 159,435
Distributions payable:		
Donor designations from current year campaign	**4,159,326**	4,305,195
Donor designations and allocations from prior year campaign	**735,401**	691,563
Gift annuity payable	**9,826**	13,457
Accrued salary and vacation	**171,570**	145,994
Deferred compensation	**246,415**	255,522
Total liabilities	**5,410,740**	5,571,166
Net assets:		
Without donor restriction		
Available for general activities	**5,037,237**	5,001,990
Board designated:		
Endowment fund	**8,024,280**	8,678,526
Building replacement	**323,941**	308,916
Special projects	**408,614**	254,700
Total net assets without donor restriction	**13,794,072**	14,244,132
With donor restriction	**13,938,576**	14,821,048
Total net assets	**27,732,648**	29,065,180
Total liabilities and net assets	**$ 33,143,388**	$ 34,636,346

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, 2018 (with summarized financial information for 2017)

	2018			
	Without Donor Restriction	With Donor Restriction	**Total**	2017 Total
Public support and revenue:				
Total gross campaign results (fall of 2017/2018)	$ 2,714,121	$ -	**$ 2,714,121**	$ 2,190,900
Total gross campaign results in prior year released from restriction	17,098,722	(17,098,722)	**-**	-
Total campaign results (fall of 2017/2018)	19,812,843	(17,098,722)	**2,714,121**	2,190,900
Less donor designated pledges to specific agencies	5,297,936	(4,590,461)	**707,475**	563,245
Total campaign revenue	14,514,907	(12,508,261)	**2,006,646**	1,627,655
Less allowance for unpaid pledges	321,202	(366,745)	**(45,543)**	(112,601)
Net campaign revenue (fall of 2017/2018)	14,193,705	(12,141,516)	**2,052,189**	1,740,256
Total gross campaign results (fall of 2018/2019)	-	15,953,063	**15,953,063**	17,072,236
Less donor designated pledges to specific agencies	-	4,461,646	**4,461,646**	4,590,461
Campaign revenue	-	11,491,417	**11,491,417**	12,481,775
Less allowance for unpaid pledges	-	341,506	**341,506**	366,745
Net campaign revenue (fall of 2018/2019)	-	11,149,911	**11,149,911**	12,115,030
Current year campaign contributions released from restriction	103,337	(103,337)	**-**	-
Contributions received in current year for future years	-	149,258	**149,258**	68,430
Noncampaign contributions released from restriction	1,270,020	(1,270,020)	**-**	-
Noncampaign contributions	953,423	1,503,268	**2,456,691**	2,073,190
Grants	274,198	-	**274,198**	130,164
Federal grants	574,708	-	**574,708**	569,271
Total public support	17,369,391	(712,436)	**16,656,955**	16,696,341
Investment (loss) income	(636,474)	(50,582)	**(687,056)**	1,554,432
Change in beneficial interest in net assets held by others	(50,289)	(16,746)	**(67,035)**	109,504
Rental loss, net of expenses of $101,611	(43,939)	(3,139)	**(47,078)**	(32,769)
Donor designation fees	350,679	-	**350,679**	310,127
Miscellaneous	72,722	-	**72,722**	80,429
Sponsored activities, net	(70,907)	87,032	**16,125**	32,371
Other net assets released from restriction	186,601	(186,601)	**-**	-
Total public support and revenue	$ 17,177,784	$ (882,472)	**$ 16,295,312**	$ 18,750,435

(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, 2018 (with summarized financial information for 2017)

	2018			
	Without Donor Restriction	With Donor Restriction	**Total**	2017 Total
Expenses				
Program services:				
Community impact	$ 14,369,833	$ -	**$ 14,369,833**	$ 14,519,518
Agency and volunteer development	4,859,756	-	**4,859,756**	4,850,376
Total funds awarded/distributed	19,229,589	-	**19,229,589**	19,369,894
Less donor designations	4,888,896	-	**4,888,896**	4,949,461
Total program expenses	14,340,693	-	**14,340,693**	14,420,433
Supporting services:				
Resource development (fundraising)	2,191,924	-	**2,191,924**	2,158,132
Management and general	1,095,227	-	**1,095,227**	1,041,347
Total supporting services	3,287,151	-	**3,287,151**	3,199,479
Total expenses	17,627,844	-	**17,627,844**	17,619,912
Change in net assets	(450,060)	(882,472)	**(1,332,532)**	1,130,523
Net assets, beginning	14,244,132	14,821,048	**29,065,180**	27,934,657
Net assets, ending	$ 13,794,072	$ 13,938,576	**$ 27,732,648**	$ 29,065,180

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, 2018 (with summarized financial information for 2017)

	Program Services			Supporting Services			**2018**	2017
	Community Impact	Agency and Volunteer Development	Total	Management and General	Resource Development	Total	**Total Expenses**	Total Expenses
Salaries	$ 1,525,774	$ 626,168	$ 2,151,942	$ 624,946	$ 1,211,642	$ 1,836,588	**$ 3,988,530**	$ 3,714,132
Payroll taxes	99,983	49,859	149,842	45,068	94,308	139,376	**289,218**	265,568
Employee benefits	247,293	147,560	394,853	148,471	261,601	410,072	**804,925**	807,839
Total salaries and related expenses	1,873,050	823,587	2,696,637	818,485	1,567,551	2,386,036	**5,082,673**	4,787,539
Professional fees	27,324	78,380	105,704	43,388	22,945	66,333	**172,037**	105,183
Data processing	82,995	51,721	134,716	46,515	100,815	147,330	**282,046**	236,067
Supplies	102,964	53,639	156,603	1,951	1,346	3,297	**159,900**	31,077
Telephone and networks	5,579	23,028	28,607	4,545	7,068	11,613	**40,220**	41,508
Postage and shipping	28,110	1,534	29,644	6,233	8,667	14,900	**44,544**	16,028
Occupancy	27,398	33,726	61,124	37,696	58,183	95,879	**157,003**	151,733
Printing	45,052	68,546	113,598	26,444	133,395	159,839	**273,437**	279,961
Travel and meeting expense	27,540	18,789	46,329	14,009	20,430	34,439	**80,768**	113,206
Staff development	21,390	8,071	29,461	20,401	13,187	33,588	**63,049**	51,787
Insurance	2,536	1,538	4,074	1,620	3,266	4,886	**8,960**	10,664
Miscellaneous	28,750	5,042	33,792	10,330	110,873	121,203	**154,995**	169,179
Payments to affiliated organizations	65,285	31,543	96,828	38,918	79,416	118,334	**215,162**	217,510
Membership dues	7,307	5,063	12,370	4,887	9,775	14,662	**27,032**	27,962
Total operations before depreciation	2,345,280	1,204,207	3,549,487	1,075,422	2,136,917	3,212,339	**6,761,826**	6,239,404
Depreciation	41,344	16,779	58,123	19,805	55,007	74,812	**132,935**	150,080
Total operations	2,386,624	1,220,986	3,607,610	1,095,227	2,191,924	3,287,151	**6,894,761**	6,389,484
Allocations/awards	11,983,209	3,638,770	15,621,979	-	-	-	**15,621,979**	16,179,889
Total operations and allocations/awards	14,369,833	4,859,756	19,229,589	1,095,227	2,191,924	3,287,151	**22,516,740**	22,569,373
Less donor designations	(3,569,303)	(1,319,593)	(4,888,896)	-	-	-	**(4,888,896)**	(4,949,461)
Total expenses	$ 10,800,530	$ 3,540,163	$ 14,340,693	$ 1,095,227	$ 2,191,924	$ 3,287,151	**$ 17,627,844**	$ 17,619,912

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, 2018 (with summarized financial information for 2017)

	2018	2017
Cash flows from operating activities:		
Change in net assets	**$ (1,332,532)**	$ 1,130,523
Adjustments to reconcile change in net assets		
to net cash provided by operating activities:		
Depreciation	**152,237**	169,543
Loss (gain) on investments	**907,388**	(1,314,556)
Change in value of beneficial interest in annuity	**5,150**	(1,154)
Change in value of beneficial interest in assets held by others	**67,035**	(109,504)
Increase (decrease) from changes in:		
Contributions receivable and distributions payable	**1,064,375**	(121,764)
Accrued interest	**(6,166)**	(9,157)
Other receivables	**(126,445)**	216,189
Prepaid expenses	**(65,859)**	32,421
Accounts payable and accrued expenses	**(45,657)**	3,751
Gift annuity payable	**(3,631)**	35
Deferred compensation	**(9,107)**	32,756
Net cash provided by operating activities	**606,788**	29,083
Cash flows from investing activities:		
Purchase of equipment	**(27,023)**	(23,607)
Purchase of certificates of deposit, money markets and investments	**(2,501,556)**	(1,760,136)
Proceeds from maturities and sales of certificates of deposit,		
money markets and investments	**2,081,130**	1,899,408
Net cash (used in) provided by investing activities	**(447,449)**	115,665
Net increase in cash	**159,339**	144,748
Cash, beginning	**352,158**	207,410
Cash, ending	**$ 511,497**	$ 352,158

See 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)), the Badgerland Combined Federal Campaign, Madison Metropolitan School District, Monona Grove School District and Madison College Combined Campaigns (the Affiliates) collect contributions from employees for voluntary health, welfare, educational and social change agencies. United Way of Dane County, Inc., United Way of Dane County Foundation, Inc. and Affiliates are collectively referred to as the Corporation throughout this report.

A summary of the Corporation's significant accounting polices 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, the Badgerland Combined Federal Campaign, 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, 2017, 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 of affiliates consist of amounts held for the Partners in Giving Campaign (SECC), the Badgerland Combined Federal Campaign, 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 7.

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. The discounts on those amounts are computed using a risk-free interest rate applicable to the year in which the promise is received. Amortization of the discount is included in contribution revenue. Management determines the allowance for 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 $9,650,589 are expected to be collected in 2019. Contributions receivable in future years are expected to be collected by 2020.

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, 2018.

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 $10,917 and a corresponding liability of $9,826 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 also has a beneficial interest in the Frederic Ogg trust. The Corporation receives 5 percent of the annual income of the trust. The Corporation recognizes changes in its beneficial interest in assets held by others in the accompanying statement of activities as a change in beneficial interest in assets held by others.

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

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

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 without donor restriction at January 1, 2018 of $14,244,132 were previously reported as unrestricted net assets.

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. Net assets with donor restriction at January 1, 2018 of $14,821,048 represent the sum of $14,381,488 and $439,560, previously reported as temporarily and permanently restricted net assets, respectively.

See Note 10 for more information on the composition of net assets with donor restriction and the release of restriction.

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 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 statement of financial position and are not recognized as revenue. Donor designations to specific organizations are distributed to the agencies. Donor designated pledges are assessed a fundraising and management and general fee based upon actual historical costs. Donor designations to specific organizations are presented in the campaign results in the statement of activities and in contributions receivable and distributions payable in the statement of financial position.

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

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.

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.

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

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: The Corporation implemented Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2016-14 in the current year, applying the changes retrospectively. The new standard changed the following aspects of the financial statements:

- The temporarily restricted and permanently restricted net asset classes have been combined into a single net asset class called net assets with donor restriction.
- The unrestricted net asset class has been renamed net assets without donor restriction.
- The financial statements include a disclosure about liquidity and availability of resources (Note 2)

Subsequent events: Management of the Corporation has evaluated subsequent events through June 13, 2019, which is the date the financial statements were available to be issued for possible measurement and/or disclosure effects on the financial statements.

Recent accounting pronouncements: In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, to supersede nearly all existing revenue recognition guidance under U.S. GAAP. The core principle of the ASU is to recognize when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity is expected to be entitled for those goods or services. The ASU defines a five step process to achieve this core principle and, in doing so, it is possible more judgment and estimates may be required within the revenue recognition process than required under existing U.S. GAAP, including identifying performance obligations in the contract, estimating the amount of variable consideration to include in the transaction prices and allocating the transaction price to each performance obligation. The ASU, as deferred one year by ASU 2015-14, will be effective for Corporation's December 31, 2019 financial statements using either of two methods; (a) retrospective to each prior reporting period presented with the option to elect certain practical expedients as defined within ASU 2014-09; or (b) retrospective with the cumulative effect of initially applying ASU 2014-09 recognized at the date of initial application and providing certain additional disclosures as defined in ASU 2014-09. The Corporation adopted ASU 2014-09 on January 1, 2019, using the modified retrospective method of transition. The effect on the Corporation's financial statements are considered immaterial as revenue recognition under the new standard is not materially different compared to the Corporation's current practice.

In November 2016, the FASB issued ASU 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash (a consensus of the FASB Emerging Issues Task Force),* which provides guidance on the presentation of restricted cash or restricted cash equivalents in the statement of cash flows. The ASU will be effective for the Corporation's December 31, 2019 financial statements and the ASU must be applied using a retrospective transition method.

In January 2016, the FASB issued ASU 2016-01, *Financial Instruments—Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities*, which updates certain aspects of recognition, measurement, presentation and disclosure of financial instruments. The ASU will be effective for the Corporation's December 31, 2019 financial statements.

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

In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The ASU clarifies the guidance for evaluating whether a transaction is reciprocal (i.e., an exchange transaction) or nonreciprocal (i.e., a contribution) and for distinguishing between conditional and unconditional contributions. The ASU also clarifies the guidance used by entities other than not-for-profits to identify and account for contributions made. The ASU has different effective dates for resource recipients and resource providers. Where the Corporation is the resource recipient, the ASU is applicable to the Corporation's December 31, 2019 financial statements. Where the Corporation is a resource provider, the ASU is effective for the December 31, 2020 financial statements. Early adoption is permitted.

In August 2018, the FASB issued 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 ASU is effective for the Corporation's December 31, 2020 financial statements. The Corporation is permitted to early adopt any removed or modified disclosures and delay adoption of the additional disclosures until their effective date.

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 balance sheet 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 income statement. The ASU requires lessors to account for leases using an approach that is substantially equivalent to existing guidance for sales-type leases, direct financing leases and operating leases. A modified retrospective transition approach is required. The Corporation 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. The ASU is effective for the Corporation's December 31, 2020 financial statements, with early adoption permitted.

The Corporation is currently evaluating the impact these recent accounting pronouncements may have on its financial statements.

Note 2. Liquidity and Availability of Resources

The Corporation's financial assets available for general expenditures within one year of December 31, 2018:

Cash	$ 511,497
Certificates of deposit and money markets	7,907,445
Investments	8,961,378
Contributions receivable, net	9,650,589
Accrued interest	42,351
Other receivables	1,552,247
Total financial assets	28,625,507
Less:	
Amounts unavailable for general expenditures within one year, due to:	
Restricted by donor with purpose restrictions or donor designations	5,912,643
Restricted by donors in perpetuity	439,560
Total amounts unavailable for general expenditures within one year	6,352,203
Amounts unavailable to management without Board approval:	
Board designated for Endowment fund	8,024,280
Board designated for Building replacement	323,941
Board designated for Special projects	408,614
Total amounts unavailable to management without Board's approval	8,756,835
Total financial assets available to management for general expenditures within one year	$ 13,516,469

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.

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.

Note 3. Fair Value Measurements and Investments (Continued)

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, 2018			
	Total	Level 1	Level 2	Level 3
Investments:				
Fixed income securities:				
U.S. Government obligations	$ 1,348,283	$ 1,348,283	$ -	$ -
Corporate bond obligations	196,644	196,644	-	-
Equity securities	2,782,456	2,782,456	-	-
Mutual funds:				
Equity	4,461,514	4,461,514	-	-
Fixed income	418,896	418,896	-	-
Total investments	9,207,793	9,207,793	-	-
Beneficial interest in annuity	10,917	-	-	10,917
Beneficial interest in assets held by Madison Community Foundation	797,552	-	-	797,552
Beneficial interest in assets held by Ogg Trust	124,461	-	-	124,461
	$ 10,140,723	$ 9,207,793	$ -	$ 932,930

Note 3. Fair Value Measurements and Investments (Continued)

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

Investments	$ 8,961,378
Investments, whose use is limited	246,415
Beneficial interest in annuity	10,917
Beneficial interest in assets held by others	922,013
	$ 10,140,723

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, 2018, valuation techniques have been consistent with the prior year.

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

The Corporation assesses the levels of the investments at each measurement date, and the transfers between levels are recognized on the actual date of the event or change in circumstances that caused the transfer in accordance with the Corporation's accounting policy regarding the recognition of transfers between levels of the fair value hierarchy. For the year ended December 31, 2018, there were no such transfers.

Note 3. Fair Value Measurements and Investments (Continued)

Assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) were as follows as of December 31, 2018:

	Beneficial Interest in Annuity	Beneficial Interest in Assets Held By: Madison Community Foundation	Beneficial Interest in Assets Held By: Ogg Trust
Beginning balance	$ 16,067	$ 847,841	$ 141,207
Decrease in value	(5,150)	(50,289)	(16,746)
Ending balance	$ 10,917	$ 797,552	$ 124,461

Investment loss for the year ended December 31, 2018 consisted of:

Interest and dividends	$ 220,332
Net realized and unrealized losses	(907,388)
	$ (687,056)

Note 4. Land, Building and Equipment

Land, building and equipment consisted of the following at December 31, 2018:

Land	$ 137,238
Building	3,611,849
Furniture and equipment	1,505,559
	5,254,646
Less accumulated depreciation	2,986,525
	$ 2,268,121

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 2018 was 8 percent of compensation. Costs of the plan charged to operations were approximately $255,000 in 2018.

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 and was ($9,107) in 2018. The deferred compensation liability was $246,415 at December 31, 2018. 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.

Note 7. Vision Council Funding/Designations to Agencies

A total of $15,621,979 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, 2018:

Community impact	$ 11,983,209
Agency and volunteer development	3,638,770
Total	15,621,979
Less donor designations to specific organizations	4,888,896
Total community building funds net of designations	$ 10,733,083

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 $517,000 in 2018, which is included in the allocation/awards on the combined statement of functional expenses. The allocation for 2019 will approximate $477,000.

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 $194,000 in 2018, which is included in the allocation/awards on the combined statement of functional expenses. Its allocation for 2019 will approximate $177,000.

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 $215,162 in 2018.

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)), the Badgerland Combined Federal Campaign, Madison Metropolitan School District, Monona Grove School District and Madison College Combined Campaigns. It has custody of the campaign receipts and is responsible for all disbursements and financial reporting of the fundraising campaigns. The total gross campaign results (fall of 2018/2019) for the year ended December 31, 2018 were as follows:

Partners In Giving Campaign - SECC	$ 2,342,668
Madison Metropolitan Schools District	55,082
Monona Grove School District	2,865
Madison College	34,486
Total	$ 2,435,101

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	$ 1,174,154
Alexis de Tocqueville Society	75,386
	1,249,540
Subject to the passage of time:	
For periods after December 31, 2018	12,048,019
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	641,017
Total net assets with donor restriction	$ 13,938,576

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	$ 1,229,547
Alexis de Tocqueville Society	581
	1,230,128
Time restriction expired:	
Passage of specified time	12,437,605
Release of appropriated endowment amounts with purpose restriction	
Children, elderly and families	33,741
Total restrictions released	$ 13,701,474

Note 11. Contributed Services

Contributed marketing services of $50,854 are included in the accompanying combined statement of activities under the captions noncampaign contributions and resource development. Contributed legal services of $5,000 are included in the accompanying combined statement of activities under the captions noncampaign contributions and management and general. Contributed supervisory services of $81,491 are included in the accompanying combined statement of activities under the captions noncampaign contributions and program services.

Approximately 44,000 hours in 2018 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 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.

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, 2018:

	Without Donor Restriction	With Donor Restriction	Total
Donor-restricted	$ -	$ 641,017	$ 641,017
Board-designated	8,024,280	-	8,024,280
Total funds	$ 8,024,280	$ 641,017	$ 8,665,297

The changes in endowment by net asset class for the Corporation were as follows for the year ended December 31, 2018:

	Without Donor Restriction	With Donor Restriction	Total
Endowment net assets, beginning of the year	$ 8,678,526	$ 723,291	$ 9,401,817
Investment return:			
Investment income	151,724	12,563	164,287
Net depreciation (realized and unrealized)	(754,019)	(61,096)	(815,115)
Total investment loss	(602,295)	(48,533)	(650,828)
Contributions	312,727	-	312,727
Appropriation of endowment assets for expenditures	(364,678)	(33,741)	(398,419)
Endowment net assets, end of year	$ 8,024,280	$ 641,017	$ 8,665,297

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, 2018.

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, 2018

	United Way of Dane County, Inc.	United Way of Dane County Foundation, Inc.	Affiliates	Eliminations	Total
Assets					
Cash	$ 496,422	$ 15,075	$ -	$ -	$ 511,497
Certificates of deposit and money markets	6,915,950	991,495	-	-	7,907,445
Investments	-	8,957,121	4,257	-	8,961,378
Contributions receivable:					
Current year campaign, net	8,028,649	-	1,696,707	(904,665)	8,820,691
Prior year campaigns, net	828,660	-	1,238	-	829,898
Future years	10,000	-	-	-	10,000
Accrued interest	22,553	19,798	-	-	42,351
Other receivables	1,476,812	132,372	-	(56,937)	1,552,247
Prepaid expenses	287,913	175	2,000	-	290,088
Certificates of deposit and money markets whose use is limited	-	-	770,327	-	770,327
Investments, whose use is limited	246,415	-	-	-	246,415
Beneficial interest in annuity	-	10,917	-	-	10,917
Beneficial interest in assets held by others	922,013	-	-	-	922,013
Interest in net assets of United Way of Dane County Foundation, Inc.	10,157,406	-	-	(10,157,406)	-
Land, building, and equipment, net of accumulated depreciation	2,202,011	66,110	-	-	2,268,121
Total assets	$ 31,594,804	$ 10,193,063	$ 2,474,529	$ (11,119,008)	$ 33,143,388
Liabilities and net assets					
Liabilities:					
Accounts and payroll taxes payable	$ 72,130	$ 25,831	$ 89,498	$ (99,257)	$ 88,202
Distributions payable:					
Donor designations from current year campaign	2,962,030	-	2,120,878	(923,582)	4,159,326
Donor designations and allocations from prior year campaign	621,687	-	113,714	-	735,401
Gift annuity payable	-	9,826	-	-	9,826
Accrued salary and vacation	171,570	-	-	-	171,570
Deferred compensation	246,415	-	-	-	246,415
Total liabilities	4,073,832	35,657	2,324,090	(1,022,839)	5,410,740
Net assets:					
Without donor restriction:					
Available for general activities	4,931,960	902,683	(38)	(797,368)	5,037,237
Board designated:					
Endowment fund	8,024,280	8,024,280	-	(8,024,280)	8,024,280
Building replacement	323,941	-	-	-	323,941
Special projects	408,614	-	-	-	408,614
Total net assets without donor restriction	13,688,795	8,926,963	(38)	(8,821,648)	13,794,072
With donor restriction	13,832,177	1,230,443	150,477	(1,274,521)	13,938,576
Total net assets	27,520,972	10,157,406	150,439	(10,096,169)	27,732,648
Total liabilities and net assets	$ 31,594,804	$ 10,193,063	$ 2,474,529	$ (11,119,008)	$ 33,143,388

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

Combining Statement of Activities
Year Ended December 31, 2018

	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 2017/2018)	$ 2,861,236	$ -	$ 38,559	$ (185,674)	$ 2,714,121	$ -	$ -	$ -	$ -	$ -	$ 2,714,121
Total gross campaign results in prior year released from restriction	15,637,771	-	2,482,600	(1,021,649)	17,098,722	(15,637,771)	-	(2,482,600)	1,021,649	(17,098,722)	-
Total campaign results (fall of 2017/2018)	18,499,007	-	2,521,159	(1,207,323)	19,812,843	(15,637,771)	-	(2,482,600)	1,021,649	(17,098,722)	2,714,121
Less donor designated pledges to specific agencies	4,032,098	-	2,363,119	(1,097,281)	5,297,936	(3,234,538)	-	(2,336,008)	980,085	(4,590,461)	707,475
Total campaign revenue	14,466,909	-	158,040	(110,042)	14,514,907	(12,403,233)	-	(146,592)	41,564	(12,508,261)	2,006,646
Less allowance for unpaid pledges	311,140	-	10,062	-	321,202	(361,681)	-	(5,064)	-	(366,745)	(45,543)
Net campaign revenue (fall of 2017/2018)	14,155,769	-	147,978	(110,042)	14,193,705	(12,041,552)	-	(141,528)	41,564	(12,141,516)	2,052,189
Total gross campaign results (fall of 2018/2019)	-	-	-	-	-	14,485,622	-	2,435,101	(967,660)	15,953,063	15,953,063
Less donor designated pledges to specific agencies	-	-	-	-	-	3,210,366	-	2,174,862	(923,582)	4,461,646	4,461,646
Campaign revenue	-	-	-	-	-	11,275,256	-	260,239	(44,078)	11,491,417	11,491,417
Less allowance for unpaid pledges	-	-	-	-	-	335,081	-	6,425	-	341,506	341,506
Net campaign revenue (fall of 2018/2019)	-	-	-	-	-	10,940,175	-	253,814	(44,078)	11,149,911	11,149,911
Current year campaign contributions released from restriction	-	-	103,337	-	103,337	-	-	(103,337)	-	(103,337)	-
Contributions received in current year for future years	-	-	-	-	-	149,258	-	-	-	149,258	149,258
Noncampaign contributions released from restriction	1,270,020	-	-	-	1,270,020	(1,270,020)	-	-	-	(1,270,020)	-
Noncampaign contributions	551,634	401,789	-	-	953,423	1,196,268	307,000	-	-	1,503,268	2,456,691
Grants	504,226	-	-	(230,028)	274,198	-	-	-	-	-	274,198
Federal grants	574,708	-	-	-	574,708	-	-	-	-	-	574,708
Total public support	17,056,357	401,789	251,315	(340,070)	17,369,391	(1,025,871)	307,000	8,949	(2,514)	(712,436)	16,656,955
Investment income (loss)	31,302	(668,628)	852	-	(636,474)	-	(50,582)	-	-	(50,582)	(687,056)
Change in beneficial interest in assets held by others	(50,289)	-	-	-	(50,289)	(16,746)	-	-	-	(16,746)	(67,035)
Rental loss, net	(43,939)	-	-	-	(43,939)	(3,139)	-	-	-	(3,139)	(47,078)
Donor designation fees	345,794	-	4,885	-	350,679	-	-	-	-	-	350,679
Miscellaneous	72,722	-	-	-	72,722	-	-	-	-	-	72,722
Sponsored activities, net	(70,907)	-	-	-	(70,907)	87,032	-	-	-	87,032	16,125
Other net assets released from restriction	70,887	115,714	-	-	186,601	(70,887)	(115,714)	-	-	(186,601)	-
Total public support and revenue	$ 17,411,927	$ (151,125)	$ 257,052	$ (340,070)	$ 17,177,784	$ (1,029,611)	$ 140,704	$ 8,949	$ (2,514)	$ (882,472)	$ 16,295,312

(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, 2018

	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
Expenses											
Program services:											
Community impact	$ 15,606,486	$ -	$ -	$ (1,236,653)	$ 14,369,833	$ -	$ -	$ -	$ -	$ -	$ 14,369,833
Agency and volunteer development	1,973,540	467,499	2,418,717	-	4,859,756	-	-	-	-	-	4,859,756
Total funds awarded/distributed	17,580,026	467,499	2,418,717	(1,236,653)	19,229,589	-	-	-	-	-	19,229,589
Less donor designations	3,569,303	-	2,266,830	(947,237)	4,888,896	-	-	-	-	-	4,888,896
Total program expenses	14,010,723	467,499	151,887	(289,416)	14,340,693	-	-	-	-	-	14,340,693
Supporting services:											
Resource development (fundraising)	2,117,567	62,129	105,203	(92,975)	2,191,924	-	-	-	-	-	2,191,924
Management and general	1,084,894	10,333	-	-	1,095,227	-	-	-	-	-	1,095,227
Total supporting services	3,202,461	72,462	105,203	(92,975)	3,287,151	-	-	-	-	-	3,287,151
Total expenses	17,213,184	539,961	257,090	(382,391)	17,627,844	-	-	-	-	-	17,627,844
Change in interest in net assets of United Way of Dane County Foundation, Inc.	(691,086)	-	-	691,086	-	140,704	-	-	(140,704)	-	-
Change in net assets	(492,343)	(691,086)	(38)	733,407	(450,060)	(888,907)	140,704	8,949	(143,218)	(882,472)	(1,332,532)
Net assets, beginning	14,181,138	9,618,049	-	(9,555,055)	14,244,132	14,721,084	1,089,739	141,528	(1,131,303)	14,821,048	29,065,180
Net assets, ending	$ 13,688,795	$ 8,926,963	$ (38)	$ (8,821,648)	$ 13,794,072	$ 13,832,177	$ 1,230,443	$ 150,477	$ (1,274,521)	$ 13,938,576	$ 27,732,648

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

Fall of 2017 (2017-2018) Campaign, Other Revenue, Program Services and Supporting Expenses (Unaudited)
December 31, 2018

2017 campaign pledge results:		
Gross undesignated campaign results	$ 14,514,906	
Gross designated campaign results	5,297,936	
Allowance for unpaid pledges	(532,564)	
Net campaign results from the fall of 2017's campaign	19,280,278	
Current year campaign contributions released from restrictions	103,339	
Unrestricted noncampaign contributions and grants	2,240,013	
Federal grants	594,121	
Total public support	22,217,751	
Investment income	73,123	
Rental loss	(43,938)	
Net sponsored activity	(70,907)	
Miscellaneous income	72,721	
Total public support and revenue	22,248,750	
Distributions, program and supporting services:		
Program services	18,910,625	
Management and general	1,079,899	
Resource development/fundraising	2,074,284	
Total distributions, program and supporting services	22,064,808	
Deficit of public support and operating revenue over total distributions and supporting expenses	$ 183,942	
Distributions and services/public support and revenue ratio:		
Total distributions and program services	$ 18,910,625	85%
Total public support and revenue	22,248,750	

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 2017'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 $137,345 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

To the Board of Directors
United Way of Dane County, Inc. and
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, 2018, 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 13, 2019. 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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the United Way of Dane County, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of 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 statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

RSM US LLP

Madison, Wisconsin
June 13, 2019