

**UNITED WAY OF GREATER MILWAUKEE AND  
WAUKESHA COUNTY, INC.  
Milwaukee, Wisconsin**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEARS ENDED JUNE 30, 2021 AND 2020**



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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
United Way of Greater Milwaukee and Waukesha County, Inc.  
Milwaukee, Wisconsin

### **Report on the Financial Statements**

We have audited the accompanying financial statements of United Way of Greater Milwaukee and Waukesha County, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to 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.

### ***Auditors' 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.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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.

Board of Directors  
United Way of Greater Milwaukee and Waukesha County, Inc.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way of Greater Milwaukee and Waukesha County, Inc., as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matter***

***Other Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic 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 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. In our opinion, 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 November 24, 2021, on our consideration of United Way of Greater Milwaukee and Waukesha County, Inc.'s internal control over financial reporting and on 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 United Way of Greater Milwaukee and Waukesha 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 Greater Milwaukee and Waukesha County, Inc.'s internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Milwaukee, Wisconsin  
November 24, 2021

**UNITED WAY OF GREATER MILWAUKEE AND WAUKESHA COUNTY, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 3,106,698	\$ 4,759,520
Investments	20,413,205	12,441,229
Current Portion of Note Receivable	100,000	100,000
Pledges Receivable - Net	9,261,498	11,459,465
Prepaid Expenses and Other	861,353	579,678
Total Current Assets	33,742,754	29,339,892
<b>PLEDGES RECEIVABLE, LESS CURRENT PORTION</b>	-	93,787
<b>INVESTMENTS - ENDOWMENT FUND</b>	25,219,434	5,295,307
<b>NOTE RECEIVABLE, LESS CURRENT PORTION ABOVE</b>	200,000	300,000
<b>457(B) PLAN PARTICIPANT ASSETS</b>	142,719	93,762
<b>BENEFICIAL INTEREST IN ENDOWMENT HELD BY OTHERS</b>	238,014	200,964
<b>LAND, BUILDING, AND EQUIPMENT - NET</b>	1,863,051	1,986,834
Total Assets	<u>\$ 61,405,972</u>	<u>\$ 37,310,546</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Donor Designations Payable	\$ 3,147,801	\$ 3,662,546
Amounts Payable Under Fiscal Agent Responsibilities	1,620,829	1,953,825
Paycheck Protection Program (PPP) Advance	-	1,439,200
Other Amounts Payable	812,893	400,830
Accrued Expenses and Other Current Liabilities	386,326	355,253
457(b) Plan Participant Liability	142,719	93,762
Total Current Liabilities	6,110,568	7,905,416
<b>NET ASSETS</b>		
Without Donor Restrictions:		
Undesignated	2,122,854	220,385
Investment in Land, Building, and Equipment	1,863,051	1,986,834
Board-Designated for Programs and Initiative Funding	22,770,366	19,616,364
Board-Designated Endowment Fund	3,061,761	2,450,533
Board-Designated Short-Term Community Investments	18,564,000	-
Waukesha Property Endowment	412,125	319,787
Board-Designated for Capital Improvements	768,627	268,627
Total Without Donor Restrictions	<u>49,562,784</u>	<u>24,862,530</u>
With Donor Restrictions	<u>5,732,620</u>	<u>4,542,600</u>
Total Net Assets	<u>\$ 55,295,404</u>	<u>\$ 29,405,130</u>
Total Liabilities and Net Assets	<u>\$ 61,405,972</u>	<u>\$ 37,310,546</u>

See accompanying Notes to Financial Statements.

**UNITED WAY OF GREATER MILWAUKEE AND WAUKESHA COUNTY, INC.**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2021**

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
<b>PUBLIC SUPPORT AND REVENUE</b>			
Campaign Revenue:			
Gross Campaign Results	\$ 52,670,162	\$ 4,891,750	\$ 57,561,912
Less: Donor Designated Funds	<u>(21,945,190)</u>	<u>(635,694)</u>	<u>(22,580,884)</u>
Net Campaign Results	30,724,972	4,256,056	34,981,028
Less: Provision for Uncollectible Pledges	<u>(2,004,333)</u>	<u>(39,088)</u>	<u>(2,043,421)</u>
Net Campaign Revenue	28,720,639	4,216,968	32,937,607
Contributions Received in Prior Period			
Now Released from Restriction	351,155	(351,155)	-
Service Fees - Campaign	337,651	-	337,651
Other Contributions, Memorials, and Bequests	20,032,828	-	20,032,828
Sponsorship of United Way Events and Activities	750,498	-	750,498
Total Campaign Revenue	50,192,771	3,865,813	54,058,584
Noncampaign Revenue:			
Dividends and Interest Income	339,194	45,703	384,897
Net Realized and Unrealized Gains			
on Investments	2,849,257	692,921	3,542,178
Grants	926,904	-	926,904
Paycheck Protection Program Loan Forgiveness	1,439,200	-	1,439,200
Other Income	87,157	-	87,157
Release from Restrictions	3,414,417	(3,414,417)	-
Total Noncampaign Revenue	9,056,129	(2,675,793)	6,380,336
Total Public Support and Revenue	59,248,900	1,190,020	60,438,920
<b>EXPENSES</b>			
Program Services:			
Gross Program Investments	46,194,351	635,694	46,830,045
Less: Donor Designated Funds	<u>(21,945,190)</u>	<u>(635,694)</u>	<u>(22,580,884)</u>
Net Program Investments	24,249,161	-	24,249,161
Community Impact	1,936,229	-	1,936,229
Volunteer Engagement	914,297	-	914,297
Grants	359,223	-	359,223
Total Program Services	27,458,910	-	27,458,910
Supporting Services:			
Fundraising	4,746,332	-	4,746,332
Management and General	2,343,404	-	2,343,404
Total Supporting Services	7,089,736	-	7,089,736
Total Expenses	34,548,646	-	34,548,646
<b>CHANGE IN NET ASSETS</b>			
Net Assets - Beginning of Year	24,700,254	1,190,020	25,890,274
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 49,562,784</b>	<b>\$ 5,732,620</b>	<b>\$ 55,295,404</b>

See accompanying Notes to Financial Statements.

**UNITED WAY OF GREATER MILWAUKEE AND WAUKESHA COUNTY, INC.**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2020**

	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
<b>PUBLIC SUPPORT AND REVENUE</b>			
Campaign Revenue:			
Gross Campaign Results	\$ 52,941,199	\$ 4,309,184	\$ 57,250,383
Less: Donor Designated Funds	<u>(23,301,601)</u>	<u>(1,236,761)</u>	<u>(24,538,362)</u>
Net Campaign Results	29,639,598	3,072,423	32,712,021
Less: Provision for Uncollectible Pledges	<u>(1,810,457)</u>	<u>(39,460)</u>	<u>(1,849,917)</u>
Net Campaign Revenue	27,829,141	3,032,963	30,862,104
Contributions Received in Prior Period			
Now Released from Restriction	758,243	(758,243)	-
Service Fees - Campaign	446,408	-	446,408
Other Contributions, Memorials, and Bequests	496,115	-	496,115
Sponsorship of United Way Events and Activities	898,870	-	898,870
Total Campaign Revenue	30,428,777	2,274,720	32,703,497
Noncampaign Revenue:			
Dividends and Interest Income	352,322	47,569	399,891
Net Realized and Unrealized Gains (Losses)			
on Investments	143,574	(25,381)	118,193
Grants	783,492	-	783,492
Other Income	30,107	-	30,107
Release from Restrictions	2,191,941	(2,191,941)	-
Total Noncampaign Revenue	3,501,436	(2,169,753)	1,331,683
Total Public Support and Revenue	33,930,213	104,967	34,035,180
<b>EXPENSES</b>			
Program Services:			
Gross Program Investments	47,831,086	1,236,761	49,067,847
Less: Donor Designated Funds	<u>(23,301,601)</u>	<u>(1,236,761)</u>	<u>(24,538,362)</u>
Net Program Investments	24,529,485	-	24,529,485
Community Impact	1,871,189	-	1,871,189
Volunteer Engagement	1,091,312	-	1,091,312
Grants	525,317	-	525,317
Total Program Services	28,017,303	-	28,017,303
Supporting Services:			
Fundraising	4,694,895	-	4,694,895
Management and General	2,332,447	-	2,332,447
Total Supporting Services	7,027,342	-	7,027,342
Total Expenses	35,044,645	-	35,044,645
<b>CHANGE IN NET ASSETS</b>	(1,114,432)	104,967	(1,009,465)
Net Assets - Beginning of Year	25,976,962	4,437,633	30,414,595
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 24,862,530</b>	<b>\$ 4,542,600</b>	<b>\$ 29,405,130</b>

See accompanying Notes to Financial Statements.

**UNITED WAY OF GREATER MILWAUKEE AND WAUKESHA COUNTY, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2021**

	Program Services				Support Services		
	Community Impact	Volunteer Engagement	Grants	Total	Fund Raising	Management and General	Total
Gross Program Investments	\$ 45,900,039	\$ -	\$ 930,006	\$ 46,830,045	\$ -	\$ -	\$ 46,830,045
Less: Donor Designated Funds	(22,580,884)	-	-	(22,580,884)	-	-	(22,580,884)
Net Program Investments	23,319,155	-	930,006	24,249,161	-	-	24,249,161
Salaries	1,225,637	496,898	218,427	1,940,962	2,525,432	1,352,587	5,818,981
Employee Health and Retirement Benefits	268,654	105,377	54,118	428,149	523,273	295,611	1,247,033
Payroll Taxes	89,699	37,134	14,010	140,843	213,710	93,082	447,635
Total Personnel Expenses	1,583,990	639,409	286,555	2,509,954	3,262,415	1,741,280	7,513,649
Professional Fees and Outside Services	8,535	1,945	24,322	34,802	56,982	142,652	234,436
In-Kind Gifts - Advertising	-	-	-	-	117,455	-	117,455
Supplies	746	641	389	1,776	2,165	5,906	9,847
Telephone	4,670	3,195	237	8,102	14,657	7,462	30,221
Postage and Shipping	772	429	-	1,201	8,081	8,668	17,950
Occupancy	30,747	30,601	-	61,348	72,735	48,514	182,597
Equipment/Software Maintenance, and Purchases	105,482	42,873	704	149,059	460,067	137,468	746,594
Printing, Publications, and Media	9,023	18,403	4,690	32,116	231,456	3,567	267,139
Travel	340	5,872	-	6,212	1,652	325	8,189
Campaign/Program Events, Meetings, and Training	3,076	82,804	41,941	127,821	22,878	17,224	167,923
Membership Dues	5,038	1,329	385	6,752	4,628	7,875	19,255
United eWay Expenses	-	-	-	-	57,160	-	57,160
United Way of America Dues	126,771	59,862	-	186,633	299,325	153,430	639,388
United Way of Wisconsin Dues	14,275	6,741	-	21,016	33,706	17,278	72,000
Depreciation Expense	42,393	20,018	-	62,411	100,095	51,307	213,813
Interest Expense	371	175	-	546	875	448	1,869
Total Nonpersonnel Expenses	352,239	274,888	72,668	699,795	1,483,917	602,124	2,785,836
Total Personnel and Nonpersonnel Expenses	1,936,229	914,297	359,223	3,209,749	4,746,332	2,343,404	10,299,485
<b>Total Functional Expenses</b>	<b>\$ 25,255,384</b>	<b>\$ 914,297</b>	<b>\$ 1,289,229</b>	<b>\$ 27,458,910</b>	<b>\$ 4,746,332</b>	<b>\$ 2,343,404</b>	<b>\$ 34,548,646</b>

See accompanying Notes to Financial Statements.

**UNITED WAY OF GREATER MILWAUKEE AND WAUKESHA COUNTY, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2020**

	Program Services				Support Services			
	Community Impact	Volunteer Engagement	Grants	Total	Fund Raising	Management and General	Total	
Gross Program Investments	\$ 48,268,758	\$ -	\$ 799,089	\$ 49,067,847	\$ -	\$ -	\$ 49,067,847	
Less: Donor Designated Funds	(24,538,362)	-	-	(24,538,362)	-	-	(24,538,362)	
Net Program Investments	23,730,396	-	799,089	24,529,485	-	-	24,529,485	
Salaries	1,164,631	508,241	276,084	1,948,956	2,384,450	1,359,714	5,693,120	
Employee Health and Retirement Benefits	245,901	108,140	88,144	442,185	471,207	285,162	1,198,554	
Payroll Taxes	82,161	36,745	19,429	138,335	181,930	91,518	411,783	
Total Personnel Expenses	1,492,693	653,126	383,657	2,529,476	3,037,587	1,736,394	7,303,457	
Professional Fees and Outside Services	47,078	24,970	46,261	118,309	224,683	204,743	547,735	
In-Kind Gifts - Advertising	-	-	-	-	183,481	-	183,481	
Supplies	5,264	7,518	617	13,399	12,123	13,845	39,367	
Telephone	5,137	3,817	214	9,168	15,850	6,620	31,638	
Postage and Shipping	721	161	-	882	18,270	10,462	29,614	
Occupancy	34,447	48,179	79	82,705	80,265	49,786	212,756	
Equipment/Software Maintenance, and Purchases	93,555	34,067	489	128,111	345,878	93,046	567,035	
Printing, Publications, and Media	11,792	33,797	54,528	100,117	248,540	2,482	351,139	
Travel	4,325	7,324	74	11,723	20,613	1,426	33,762	
Campaign/Program Events, Meetings, and Training	19,506	187,883	39,048	246,437	68,035	15,513	329,985	
Membership Dues	3,055	878	350	4,283	4,772	6,646	15,701	
United eWay Expenses	-	-	-	-	70,193	-	70,193	
United Way of America Dues	99,211	57,862	-	157,073	235,474	123,666	516,213	
United Way of Wisconsin Dues	12,915	7,532	-	20,447	30,654	16,099	67,200	
Depreciation Expense	41,101	23,971	-	65,072	97,553	51,234	213,859	
Interest Expense	389	227	-	616	924	485	2,025	
Total Nonpersonnel Expenses	378,496	438,186	141,660	958,342	1,657,308	596,053	3,211,703	
Total Personnel and Nonpersonnel Expenses	1,871,189	1,091,312	525,317	3,487,818	4,694,895	2,332,447	10,515,160	
<b>Total Functional Expenses</b>	<b>\$ 25,601,585</b>	<b>\$ 1,091,312</b>	<b>\$ 1,324,406</b>	<b>\$ 28,017,303</b>	<b>\$ 4,694,895</b>	<b>\$ 2,332,447</b>	<b>\$ 35,044,645</b>	

See accompanying Notes to Financial Statements.

**UNITED WAY OF GREATER MILWAUKEE AND WAUKESHA COUNTY, INC.**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED JUNE 30, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 25,890,274	\$ (1,009,465)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	213,813	213,859
Net (Gain) Loss on Investment Securities	(3,257,291)	255,858
Provision for Uncollectible Pledges	402,405	(158,221)
Changes in Operating Assets and Liabilities:		
Promissory Note	100,000	-
Net Pledges Receivable	1,889,349	969,496
Prepaid Expenses and Other Assets	(281,675)	(26,365)
Donor Designations Payable	(514,745)	(701,512)
Amounts Payable Under Fiscal Agent Responsibilities	(332,996)	(484,946)
Paycheck Protection Program (PPP) Loan	(1,439,200)	1,439,200
Other Amounts Payable	412,063	(160,684)
Accrued Expenses and Other Liabilities	80,029	131,986
Net Cash Provided by Operating Activities	<u>23,162,026</u>	<u>469,206</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Reinvestment of Dividends from Investment Securities	(384,898)	(399,890)
Purchase of Investment Securities	(27,139,226)	(4,638,067)
Redemption of Investment Securities	2,799,306	4,280,552
Proceeds from Retirement of Equipment	-	6,798
Building Improvement and Purchases of Equipment	(90,030)	(87,655)
Net Cash Used by Investing Activities	<u>(24,814,848)</u>	<u>(838,262)</u>
<b>DECREASE IN CASH AND CASH EQUIVALENTS</b>	<u>(1,652,822)</u>	<u>(369,056)</u>
Cash and Cash Equivalents - Beginning of Year	<u>4,759,520</u>	<u>5,128,576</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u><u>\$ 3,106,698</u></u>	<u><u>\$ 4,759,520</u></u>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Cash Paid for Interest During the Year	<u><u>\$ 1,869</u></u>	<u><u>\$ 2,025</u></u>

See accompanying Notes to Financial Statements.

**UNITED WAY OF GREATER MILWAUKEE AND WAUKESHA COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**NOTE 1 NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Mission Statement**

United Way of Greater Milwaukee and Waukesha County, Inc. (United Way) changes lives and improves our community by mobilizing people and resources to drive strategic impact in Education, Income, and Health.

**Nature of Activities**

United Way is a local organization run and governed by those living and working within this community. United Way is a nonprofit corporation who, by carrying out its mission, helps people build and sustain better lives through opportunities in Education, Financial Stability, and Health—the building blocks to a good life—by focusing on the root causes of our community's most critical problems in order to break the cycle of poverty.

Annual campaigns are conducted in autumn to support programs in subsequent years. For example, pledges that are not designated to specific agencies for the autumn 2020 campaign will fund allocations to strategic initiatives and programs operated by member agencies for the fiscal year beginning July 1, 2021. Funding decisions are made by a committee consisting of staff, members of the board of directors and volunteers. These program allocations are recorded as expenses during the fiscal year beginning July 1, 2021. In addition to member agencies, donors may also designate their contributions (cash or pledges) to unaffiliated non-member agencies or certain umbrella organizations. Distribution of designated pledges to both member and non-member agencies begin prior to the start of the fiscal year beginning July 1, 2021. For example, distribution of designated pledges for the autumn 2020 campaign actually begins during the fourth quarter of 2020 and continues into the 2021 calendar year. Campaign contributions are used to support local health and human service programs of member and non-member agencies and to pay United Way operating expenses.

United Way distributes funds to both member and nonmember agencies. Member agencies receive allocations for programs which they operate and must submit annual reports to United Way regarding the outcomes of these programs. United Way reviews the financial statements of member agencies on a quarterly basis as well as their annual audited financial reports and tax returns. In addition both member and nonmember agencies receive donor designations and can use these dollars for whatever purpose they desire. Nonmember agencies are not subject to financial or programmatic oversight by United Way.

**Basis of Preparation**

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) for the nonprofit industry. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of United Way and changes therein are classified and reported as follows:

**UNITED WAY OF GREATER MILWAUKEE AND WAUKESHA COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**NOTE 1 NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

**Basis of Preparation (Continued)**

*Without Donor Restrictions* – Net assets that are not subject to donor-imposed stipulations available for use at the discretion of the board of directors (the Board) and/or for management and general operating purposes. From time to time the Board designates a portion of these net assets for specific purposes, which makes them unavailable for use at management's discretion. See Note 9 for more information on the composition of net assets without donor restrictions.

*With Donor Restrictions* – Net assets subject to donor-imposed stipulations that will be met, either by actions of United Way and/or the passage of time. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions.

Net assets subject to donor-imposed stipulations that the principal be maintained in perpetuity by United Way are separately identified within net assets with donor restrictions. Generally, the donors of these assets permit United Way to use all or part of the income earned on any related investments for general or specific purposes.

When a restriction expires or a donor-stipulated event occurs, net assets with donor restrictions are released to net assets without donor restrictions. See Note 10 for more information on the composition of net assets with donor restrictions.

**Cash and Cash Equivalents**

United Way considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash or cash equivalents. Cash and cash equivalents are invested primarily in interest-bearing accounts.

**Investments**

Investments are stated at fair value. Fair value is 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. Purchases and sales of investments are recorded on a trade date basis. Net appreciation (depreciation) in fair value of investments includes both realized and unrealized investment gains and losses. Interest is recorded on the accrual basis and dividends are recorded on the ex-dividend date.

**UNITED WAY OF GREATER MILWAUKEE AND WAUKESHA COUNTY, INC.**  
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**NOTE 1 NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

**Pledges Receivable**

Unconditional promises to give cash and other assets, less a provision for uncollectible amounts, are recorded as pledges receivable and gross campaign revenue in the year the pledges are made. Allowances are established for pledged amounts estimated to be uncollectible. Collections on prior year campaign pledges previously written off are treated as revenue without donor restrictions in the year of collection.

Donor-designated pledge receivables, less reductions for estimated uncollectible pledges when applicable, are included in pledges receivable in the statements of financial position.

**Provision for Uncollectible Pledges**

The provision for uncollectible pledges consists of the following three components:

**Estimated Loss on Pledges Receivable**

An estimated loss on pledges received during the fiscal years ended June 30, 2021 and 2020 is recognized during the year in which the pledge has been received. The rate used to calculate the estimated uncollectible amount is based upon a historical analysis of actual pledge losses during past campaigns.

**Provision on Donor-Designated Pledges**

Donor-designated pledges are excluded from gross campaign revenue. The pledge loss provision associated with these donor-designated pledges is excluded as well.

**Recoveries on Previously Written Off Pledges**

Recoveries are typically realized on previously written off pledges from prior campaigns. These amounts are credited against this account.

**Beneficial Interest in Endowment Held by Others**

Beneficial interest in endowment held by others consisted of Forever Funds of United Way held by the Waukesha County Community Foundation (WCCF). The carrying amounts reported in the statement of financial position for financial instructions approximate their fair values. Under accounting standards, when a resource provider (the Organization) transfers assets to another agency but specifies itself as the beneficiary, the economic benefit remains with the organization. Accordingly, the assets and net assets are included in these financial statements. United Way receives periodic distributions on these investments upon WCCF board approval.

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**NOTE 1 NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

**Land, Building, and Equipment**

All property is recorded at cost except for donated property, which is recorded at fair value at the date of donation. Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets as follows:

Building and Improvements	5 to 33 Years
Furniture, Fixtures, and Equipment	3 to 10 Years
Automobiles	5 Years
Computer Hardware and Software	3 to 5 Years

**Impairment of Long-Lived Assets**

United Way reviews long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceed the fair value of the assets. Assets to be disposed of are reported at the lower of carrying amount or the fair value less costs to sell.

**Donor Designations Payable**

Donor designations payable represent amounts due to qualified donor-designated agencies under United Way's "Community Donor Choice" and "Tocqueville Society" programs or other donor-designated programs administered by United Way for local and state government employees.

**Amounts Payable Under Fiscal Agent Responsibilities**

United Way's fiscal agent responsibilities fall into two categories.

In the first category, United Way handles both the collection and distribution function of local corporations which have a nationwide presence. These corporations have asked United Way to process all of the pledges from each of its locations. Only those pledges from the local office, however, are counted as campaign revenue. United Way handles the collection responsibilities for all of the corporation's locations and distributes the pledges to other United Way entities, if the pledge is undesignated, or to other charitable organizations in the event that the pledges are designated.

In the second category, United Way handles only the distribution process as it receives amounts from one major corporate donor with locations around the country. On a quarterly basis, United Way distributes these funds to hundreds of United Way entities across the United States. United Way has no collection responsibilities with respect to these amounts.

Assets and liabilities associated with these fiscal agent transactions are included in the statements of financial position.

**UNITED WAY OF GREATER MILWAUKEE AND WAUKESHA COUNTY, INC.**  
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**NOTE 1 NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

**Revenue Recognition**

Campaigns are conducted annually to raise money in order to impact the community in a positive manner by helping people build and sustain better lives through opportunities in Education, Income, and Health—the building blocks to a good life. Campaign contributions and income from special events and fund-raising are recognized in the year pledged. Pledges receivable and related revenue are recorded when the pledge is received, and allowances are provided for amounts estimated to be uncollectible. The allowances are based on past history, adjusted for current conditions, as considered appropriate by management.

**Contributions**

Annual fall campaign results are reduced by pledges designated to a specific organization and by a provision for uncollectible pledges. Pledges received in the current fiscal year for the prior autumn's campaign are considered revenue without donor restrictions. Pledges received in the current fiscal year for the upcoming autumn's campaign are reflected as revenue with donor restrictions. Pledges received in the current fiscal year for prior year campaigns are recorded as revenue without donor restrictions. Collections on pledges for prior year campaigns are released from restriction in the year collected.

**Contributed Services**

No amounts have been reflected in the financial statements for contributed services that do not require specialized expertise. United Way pays for most services requiring specific expertise. However, many individuals volunteer substantial amounts of time toward United Way sponsored community activities, campaign solicitations, and various committee assignments, which do not require specialized expertise or would not typically be purchased if not provided by donation.

Various organizations have provided various services at no charge, the value of which has been reflected as gross campaign revenue in the statements of activities. The value of program services has been reflected as gross program investments in the statements of activities. The total amounts recorded in 2021 and 2020 were \$291,024 and \$389,642, respectively. The value of advertising has been reflected as fundraising services in the statements of activities. The total amounts recorded in 2021 and 2020 were \$145,239 and \$220,994, respectively.

Many organizations reimburse United Way for various expenses incurred through sponsorships. The reimbursements and expenses have been reflected in total campaign revenue and operating expenses in the statements of activities.

**UNITED WAY OF GREATER MILWAUKEE AND WAUKESHA COUNTY, INC.**  
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**NOTE 1 NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

**Designation Cost Recovery Fees**

Requirement M of United Way Worldwide limits the cost recovery fee on donor-designated pledges to no more than the sum of a three-year moving average of its fundraising cost percentage (Fundraising Expense divided by Total Campaign Revenue on Form 990) and its processing cost percentage (Management & General Expenses divided by Total Revenue on Form 990). United Way of Greater Milwaukee & Waukesha County is in compliance with Requirement M.

**Fundraising Expenses**

All salary, overhead, and miscellaneous costs are recorded as operating expenses in the period incurred.

**Functional Allocation of Expenses**

In the accompanying statement of functional expenses, all expenses are allocated based upon the functions to which they relate. Expenses that can be identified with a specific function are allocated directly according to their natural expenditure classification. Other expenses that are common to several functions are allocated by estimated time spent on the respective program and support functions. The allocation to these categories was made in accordance with standards established by United Way Worldwide.

**Use of Estimates**

The preparation of the accompanying financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that directly affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenue and expenses during the reporting period. United Way considers the value of the allowance for uncollectible pledges receivable to be a significant estimate subject to change. Actual results may differ from these estimates.

**Income Taxes**

United Way has been determined to be a charitable organization as defined under section 501(c)(3) of the Internal Revenue Code (IRC) and, as such, is exempt from federal income taxes. United Way is also exempt from state income taxes.

Management analyzed the requirements for accounting for uncertain tax positions. United Way determined that it was not required to record a liability related to uncertain tax positions at June 30, 2021 and 2020.

**UNITED WAY OF GREATER MILWAUKEE AND WAUKESHA COUNTY, INC.**  
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**NOTE 1 NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
 (CONTINUED)**

**Change in Accounting Principle**

**Revenue from Contracts with Customers**

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which clarifies the principles for recognizing revenue. The core principle of this guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The new standard will supersede all existing U.S. Generally Accepted Accounting Principles (GAAP) guidance on revenue recognition and is expected to require the use of more judgment and result in additional disclosures. Adoption is to be applied retrospectively. In June 2020, FASB deferred the effective date of Topic 606 to fiscal years beginning after December 15, 2019 and interim periods beginning after December 15, 2020. The adoption of this accounting standard did not have an impact on the United Way's financial position or changes in its net assets.

**NOTE 2 INVESTMENTS**

The following table summarized investments, stated at fair value, for the years ended June 30:

	2021		2020	
	Fair Value	Percent of Total	Fair Value	Percent of Total
<b>Operating:</b>				
Equity Securities	\$ 6,544,348	32.0 %	\$ 5,334,290	42.9 %
Fixed Income	12,202,500	59.8	5,503,482	44.2
Limited Partnership	1,666,357	8.2	1,603,457	12.9
<b>Total</b>	<b>\$ 20,413,205</b>	<b>100.0 %</b>	<b>\$ 12,441,229</b>	<b>100.0 %</b>
<b>Endowment:</b>				
Equity Securities	\$ 4,587,927	18.2 %	\$ 3,573,475	67.5 %
Fixed Income	20,308,227	80.5	1,491,546	28.2
Limited Partnership	323,280	1.3	230,286	4.3
<b>Total</b>	<b>\$ 25,219,434</b>	<b>100.0 %</b>	<b>\$ 5,295,307</b>	<b>100.0 %</b>
<b>Total Investments:</b>				
Equity Securities	\$ 11,132,275	24.4 %	\$ 8,907,765	50.2 %
Fixed Income	32,510,727	71.2	6,995,028	39.5
Limited Partnership	1,989,637	4.4	1,833,743	10.3
<b>Total</b>	<b>\$ 45,632,639</b>	<b>100.0 %</b>	<b>\$ 17,736,536</b>	<b>100.0 %</b>

**UNITED WAY OF GREATER MILWAUKEE AND WAUKESHA COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 2 INVESTMENTS (CONTINUED)**

The following table summarized the components of United Way's investment income for the years ended June 30:

	2021		2020	
	Dividend and Interest Income	Realized and Unrealized Gains (Losses)	Dividend and Interest Income	Realized and Unrealized Gains (Losses)
	\$ 269,265	\$ 2,151,684	\$ 298,832	\$ 93,899
Operating	137,068	1,348,223	92,230	(8,416)
Total	<u>\$ 406,333</u>	<u>\$ 3,499,907</u>	<u>\$ 391,062</u>	<u>\$ 85,483</u>

Investments, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the value of certain investments will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

**NOTE 3 FAIR VALUE MEASUREMENTS**

Generally accepted accounting principles establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under U.S. GAAP are described as follows:

*Level 1* – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the United Way has the ability to access.

*Level 2* – Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

*Level 3* – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

**UNITED WAY OF GREATER MILWAUKEE AND WAUKESHA COUNTY, INC.**  
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**NOTE 3 FAIR VALUE MEASUREMENTS (CONTINUED)**

Following is a description of the valuation methodologies used at June 30, 2021 and 2020 for assets measured at fair value.

**Limited Partnerships:** One limited partnership is valued at an amount equal to the ownership interest in partners' capital, which approximates fair value. Two limited partnerships are valued at the net asset value (NAV) of shares held by United Way at year-end. The NAV is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by the fund, less its liability. This practical expedient is not used when it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV. The three funds do not have a finite life, unfunded commitments or restrictions on redemptions. The investment strategy of the limited partnerships are to 1) outperform the Morgan Stanley Capital International Index of Europe, Australia and the Far East Index over multiple year periods, or 2) to maintain significantly less volatility than the global equity market while delivering market-like returns over a full market cycle or 3) deliver stable total returns in excess of the NCREIF Fund Index – Open End Diversified Core Equity (NFI-ODCE).

**Mutual Funds:** Valued at the daily closing price as reported by the fund. Mutual funds held by United Way are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by United Way are deemed to be actively traded.

Information regarding assets measured at fair value on a recurring basis as of June 30, 2021 and 2020 is as follows:

	2021			
	Level 1	Level 2	Level 3	Total
<b>Mutual Funds:</b>				
Money Market	\$ 472,297	\$ -	\$ -	\$ 472,297
Small Cap Value	1,133,785	-	-	1,133,785
All Cap Core	5,871,218	-	-	5,871,218
International	3,654,975	-	-	3,654,975
Fixed Income	31,495,863	-	-	31,495,863
Senior Secured Loans	1,014,864	-	-	1,014,864
Total Investments				
at Fair Value	<u>\$ 43,643,002</u>	<u>\$ -</u>	<u>\$ -</u>	<u>43,643,002</u>
Investments Valued at				
Net Asset Value				1,989,637
Total Investments				<u>\$ 45,632,639</u>

**UNITED WAY OF GREATER MILWAUKEE AND WAUKESHA COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 3 FAIR VALUE MEASUREMENTS (CONTINUED)**

	2020			
	Level 1	Level 2	Level 3	Total
Mutual Funds:				
Money Market	\$ 371,233	\$ -	\$ -	\$ 371,233
Small Cap Value	821,884	-	-	821,884
All Cap Core	4,773,973	-	-	4,773,973
International	2,940,675	-	-	2,940,675
Fixed Income	6,024,846	-	-	6,024,846
Senior Secured Loans	970,182	-	-	970,182
Total Investments	<u>\$ 15,902,793</u>	<u>\$ -</u>	<u>\$ -</u>	<u>15,902,793</u>
Investments Valued at				
Net Asset Value				1,833,743
Total Investments				<u>\$ 17,736,536</u>

**NOTE 4 PLEDGES RECEIVABLE**

Net pledges receivable consisted of the following as June 30:

	2021	2020
Less than One Year	\$ 10,990,556	\$ 12,779,904
One to Five Years	-	100,000
Gross Pledges Receivable	<u>10,990,556</u>	<u>12,879,904</u>
Less:		
Unamortized Discount	1,996	6,213
Allowance for Uncollectible Amounts	1,727,062	1,320,439
Pledges Receivable - Net	<u>9,261,498</u>	<u>11,553,252</u>
Less Current Portion	9,261,498	11,459,465
Pledges Receivable, Less Current Portion	<u>\$ -</u>	<u>\$ 93,787</u>

Unconditional promise to give that is expected to be collected in future years is recorded at the present value of estimated future cash flows. The discount on a long-term pledge is computed using a rate of 2.13%.

**UNITED WAY OF GREATER MILWAUKEE AND WAUKESHA COUNTY, INC.**  
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**NOTE 5 LONG-TERM RECEIVABLE**

In December 2018 United Way Worldwide (UWW) and several Local United Way's (LUW) from around the country dissolved a limited liability company, United Way Digital Holdings, LLC (the LLC) that they were all members of, for the purpose of designing, developing and operating a digital philanthropic employee engagement platform. United Way's investment was \$400,000. Upon dissolution, UWW signed a Promissory Note (the Note) to return United Way's \$400,000 investment. Interest on the Note accrues at a rate of 2.72% per annum from the date of the Note (December 31, 2018) until the principal is paid in full. All interest accruing on this Note shall be due and payable on the first day of the calendar month beginning December 1, 2019. Interest received during fiscal 2021 and 2020 was \$10,427 and \$15,413, respectively. The principal balance shall be paid in four equal installments of \$100,000 from December 1, 2020 through December 1, 2023. United Way received the first payment and the outstanding balance is \$300,000.

**NOTE 6 LAND, BUILDING, AND EQUIPMENT**

Land, building, and equipment consisted of the following as of June 30, 2021 and 2020:

	<b>2021</b>	<b>2020</b>
Land	\$ 100,235	\$ 100,235
Building and Improvements	3,915,542	3,910,367
Furniture, Fixtures, and Equipment	1,090,202	1,170,034
Other Capital Assets	64,956	79,708
	<hr/> 5,170,935	<hr/> 5,260,344
Less Accumulated Depreciation	(3,307,884)	(3,273,510)
Total	<hr/> \$ 1,863,051	<hr/> \$ 1,986,834

**NOTE 7 LINE OF CREDIT**

United Way has an unsecured line of credit with a bank wherein the lender will provide amounts up to \$4,000,000. The line of credit agreement matures February 28, 2022. Interest is accrued on the unpaid principal balance at LIBOR plus 150 basis points provided that in no event shall LIBOR be less than 0.50% (2.00% and 1.91% at June 30, 2021 and 2020, respectively). As of June 30, 2021 and 2020, United Way had no balance outstanding under the line of credit.

**UNITED WAY OF GREATER MILWAUKEE AND WAUKESHA COUNTY, INC.**  
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**NOTE 8 THRIFT AND DEFERRED COMPENSATION PLANS**

**403(b) Thrift Plan**

The plan covers substantially all union and nonunion employees. Employees are allowed to contribute to the plan up to certain limitations along with a company match based on years of service. The thrift plan matching contributions charged to expense were \$154,352 and \$144,498 in 2021 and 2020, respectively.

A separate United Way contribution is made to a pension plan for members of the union with at least one year of service. In addition, nonunion employees hired after March 31, 2015 also participate in this plan. United Way contributes a percentage of a participant's regular annual salary to this pension plan. Employees direct the contributions to specific funds. Vesting requirements are on a five-year sliding scale. The union and nonunion pension plan contributions charged to expense were \$338,316 and \$317,671 in 2021 and 2020, respectively.

**Deferred Compensation Plan – 457(b)**

United Way has a 457(b) plan for certain highly compensated senior employees. The plan is funded by employer and employee contributions. Eligible employees may elect to contribute up to the maximum dollar amount under section 457(e)(15) of the IRC. The assets of the plan are the legal assets of United Way until they are distributed to participants, and therefore the plan assets and corresponding liability are reported in the statement of financial position.

Information regarding assets measured at fair value on a recurring basis as of June 30, 2021 and 2020 is as follows:

	2021			
	Level 1	Level 2	Level 3	Total
Mutual Funds	\$ 126,215	\$ -	\$ -	\$ 126,215
Guaranteed Interest Rate Contract	-	-	16,504	16,504
Total	<u>\$ 126,215</u>	<u>\$ -</u>	<u>\$ 16,504</u>	<u>\$ 142,719</u>

	2020			
	Level 1	Level 2	Level 3	Total
Mutual Funds	\$ 10,404	\$ -	\$ -	\$ 10,404
Guaranteed Interest Rate Contract	-	-	83,358	83,358
Total	<u>\$ 10,404</u>	<u>\$ -</u>	<u>\$ 83,358</u>	<u>\$ 93,762</u>

**UNITED WAY OF GREATER MILWAUKEE AND WAUKESHA COUNTY, INC.  
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**NOTE 9 NET ASSETS WITHOUT DONOR RESTRICTIONS**

**Investment in Land, Buildings, and Equipment**

Amount represents the net land, building, and equipment amount presented on the assets section of the statement of financial position that is not available for general expenditures.

**Board Designated for Programs and Initiative Funding**

Amount represents net assets without donor restrictions from the fall campaign that the Board of Directors has allocated for funding of agency programs and initiatives in the next fiscal year.

**Board-Designated Endowment Fund**

This fund was created by the Board of Directors to accept primarily estate gifts where the donor has not restricted the use of the funds. United Way has an endowment spending policy which applies to this fund and annually the board determines how the spending distribution will be used. See Note 11 for details on endowments.

**Board-Designated Short-Term Community Investments**

Amount represents a short-term unrestricted gift from MacKenzie Scott to be allocated in the community within a few years of the receipt of the gift. Investments will be allocated to Safe & Stable Homes, Racial Equity, Community Schools, Education, Health, program allocations, and other Board-designated initiatives. See Note 11 for details on endowments.

**Waukesha Property Endowment**

This endowment was originally funded from the proceeds of the sale of the Waukesha office. The purpose of the fund is to underwrite future occupancy costs in Waukesha County. See Note 11 for details on endowments.

**Board Designated for Capital Improvements**

Balance represents rental income from leasing a portion of the Milwaukee building. Use of these funds are restricted by the Board for repairs/maintenance cost of the property. United Way no longer leases a portion of the Milwaukee building, that portion of the building was repurposed as the Johnson Controls Volunteer Center.

**UNITED WAY OF GREATER MILWAUKEE AND WAUKESHA COUNTY, INC.**  
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**NOTE 10 NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are restricted for the following purposes as follows:

	<u>2021</u>	<u>2020</u>
Subject to the Passage of Time:		
2021 Campaign Revenue	\$ 726,269	\$ -
2020 Campaign Revenue	-	913,162
Total	<u>726,269</u>	<u>913,162</u>
Subject to Expenditure for Specified Purpose or Period:		
Restricted Grants	1,639,859	864,271
Endowments Subject to United Way's Spending Policy and Appropriation:		
Investment in Perpetuity (Including Amounts Above the Original Gift of \$1,359,430 in 2021 and \$1,344,280 in 2020), Which Once Appropriated, is Expendable to Support:		
Community Emergencies	356,807	275,728
Community Impact Priorities	23,403	92,691
For Minority or Neglected Children Programs	220,044	170,742
General Annual Campaign Gift	230,310	180,180
Health Girls Program	123,925	85,078
Future Use	<u>2,173,989</u>	<u>1,759,784</u>
	<u>3,128,478</u>	<u>2,564,203</u>
Beneficial Interest in Endowment Held by Others Subject to United Way's Spending Policy:		
Investment Which Once Appropriated, is Expendable to Support:		
General Annual Campaign Gift	44,712	37,149
Future Use	<u>193,302</u>	<u>163,815</u>
	<u>238,014</u>	<u>200,964</u>
Total Endowments	<u>3,366,492</u>	<u>2,765,167</u>
Total	<u><u>\$ 5,732,620</u></u>	<u><u>\$ 4,542,600</u></u>

**Campaign Revenue**

Net assets with donor restrictions include revenue from upcoming United Way campaigns that is unavailable for distribution until the close of the annual campaign.

**Restricted Grants**

Throughout the year, United Way receives various donations for specific purposes. These donations are typically spent within a 12-month cycle.

**Endowments**

Net assets with donor restrictions also includes contributions from donors which have timing restrictions on the use of both the original gift and increases in the fair value of the gift. See Note 11 for details on endowments.

**UNITED WAY OF GREATER MILWAUKEE AND WAUKESHA COUNTY, INC.  
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**NOTE 11 ENDOWMENTS**

United Way's endowments consist of various funds established to benefit United Way for a variety of purposes. United Way's endowments include both donor-restricted endowments and funds designated by the Board of Directors to function as an endowment. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

United Way believes the Uniform Prudent Management of Institutional Funds Act (UPMIFA), as adopted by the Wisconsin state legislature, is the relevant state law governing their endowment funds. United Way has interpreted UPMIFA as allowing the appropriation for expenditure for the purposes for which an endowment is established as the net appreciation, realized and unrealized, in the fair value of an endowment fund over the historic dollar value of the fund as is prudent under ordinary business care considering the facts and circumstances prevailing at the time the action is taken.

United Way has adopted investment and spending policies for certain endowment funds that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to preserve the fair value of the endowment assets. Under United Way's investment policy, as approved by the board of directors, the endowment assets are invested in a manner to protect principal, grow the aggregate portfolio value in excess of the rate of inflation, and achieve an effective annual rate of return that is equal to or greater than the designated benchmarks for the various types of investment vehicles, and to ensure that any risk assumed is commensurate with the given investment vehicle and United Way's objectives.

To achieve its investment goals, United Way targets an asset allocation that will achieve a balanced return of current income and long-term growth of principal while exercising risk control. United Way's asset allocations include a blend of equity and debt securities and cash equivalents.

Interest, dividends, and net appreciation in fair value of endowment funds on donor-restricted endowment funds are classified as "with donor restrictions" in net assets if the earnings are restricted by the donor for a specific purpose or as board-designated "without donor restrictions" in net assets if the earnings are not donor restricted.

**UNITED WAY OF GREATER MILWAUKEE AND WAUKESHA COUNTY, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021 AND 2020**

**NOTE 11 ENDOWMENTS (CONTINUED)**

**Underwater Endowment Funds**

United Way considers a fund to be “underwater” if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. United Way complies with the UPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law. United Way has no underwater endowment funds at June 30, 2021 and 2020.

**Donor-Restricted Endowment**

United Way has received several gifts in which the donors have stipulated that the gift amount be invested and maintained permanently to generate annual income for fulfilling the United Way mission, to servicing neglected children, or to help finance projects which identify community problems. The donor-restricted endowment investments are maintained by United Way in a trust account with the board-designated endowment investments. United Way is responsible for investment decisions. For endowment funds with no spending instructions, United Way determines the income available for distribution using the total return method. Distributions are made annually equal to 4% of the average market value of the related endowment investments over a three-year period.

**Board-Designated Endowment**

The board of directors has set aside certain memorials and bequests for endowment purposes. As these amounts are not restricted by the donor, but are segregated only by Board policy, the amounts have been classified as unrestricted net assets. The Board's intent is that the amount of unrestricted net assets that are classified as an endowment will always be equal to the market value of the funds invested in the endowment investment trust. The Board may designate additional amounts from time to time to be added to the endowment trust. The annual distribution policy the Board has set will allow distributions made available to operations equal to 4% of the average market value of the board-designated endowment investments over a three-year period.

**UNITED WAY OF GREATER MILWAUKEE AND WAUKESHA COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**NOTE 11 ENDOWMENTS (CONTINUED)**

Endowment net assets consisted of the following at June 30, 2021 and 2020:

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Board-Designated Endowment	\$ 3,061,761	\$ -	\$ 3,061,761
Board-Designated Short Term Community Investments	18,564,000	-	18,564,000
Waukesha Property Endowment	412,125	-	412,125
Original Donor Restricted Gift			
Amount Required to be Maintained in Perpetuity by Donor	-	1,359,430	1,359,430
Accumulated Growth of Perpetual Gifts Subject to Appropriation for a Specific Purpose	-	281,066	281,066
Accumulated Growth of Perpetual Gifts Subject to Appropriation for a Future Use	-	1,107,772	1,107,772
Subject to Spending Policy:			
Restricted for a Specific Purpose	-	424,922	424,922
Future Use	-	193,302	193,302
Total	<u>\$ 22,037,886</u>	<u>\$ 3,366,492</u>	<u>\$ 25,404,378</u>
	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Board-Designated Endowment	\$ 2,450,533	\$ -	\$ 2,450,533
Waukesha Property Endowment	319,787	-	319,787
Original Donor Restricted Gift			
Amount Required to be Maintained in Perpetuity by Donor	-	1,344,280	1,344,280
Accumulated Growth of Perpetual Gifts Subject to Appropriation for a Specific Purpose	-	157,938	157,938
Accumulated Growth of Perpetual Gifts Subject to Appropriation for a Future Use	-	693,567	693,567
Subject to Spending Policy:			
Restricted for a Specific Purpose	-	405,567	405,567
Future Use	-	163,815	163,815
Total	<u>\$ 2,770,320</u>	<u>\$ 2,765,167</u>	<u>\$ 5,535,487</u>

**UNITED WAY OF GREATER MILWAUKEE AND WAUKESHA COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**NOTE 11 ENDOWMENTS (CONTINUED)**

Changes in endowment net assets were as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets - June 30, 2019	\$ 2,344,342	\$ 2,864,004	\$ 5,208,346
Activity in Fiscal Year June 30, 2020:			
Addition to Endowments	428,865	67,250	496,115
Investment Return:			
Interest and Dividends	46,909	47,569	94,478
Net Appreciation	20,724	(25,381)	(4,657)
Endowment Expenditures/Distributions	<u>(70,520)</u>	<u>(188,275)</u>	<u>(258,795)</u>
Endowment Net Assets - June 30, 2020	2,770,320	2,765,167	5,535,487
Activity in Fiscal Year June 30, 2021:			
Addition to Endowments	20,032,828	44,750	20,077,578
Investment Return:			
Interest and Dividends	135,846	45,703	181,549
Net Appreciation	614,266	692,922	1,307,188
Endowment Expenditures/Distributions	<u>(1,515,374)</u>	<u>(182,050)</u>	<u>(1,697,424)</u>
Endowment Net Assets - June 30, 2021	<u>\$ 22,037,886</u>	<u>\$ 3,366,492</u>	<u>\$ 25,404,378</u>

**NOTE 12 LIQUIDITY AND AVAILABILITY OF RESOURCES**

United Way regularly monitors liquidity required to meet its program and initiative funding, and operating needs, while also striving to maximize the investment of its available funds. United Way has various sources of liquidity at its disposal, including cash and cash equivalents, investments (see Note 2), and a line of credit (see Note 7).

For purposes of analyzing resources available to meet general expenditures over a 12-month period, United Way considers all expenditures related to its ongoing activities of payments to donor-designated agencies, amounts payable to agencies under fiscal agent responsibilities, and public service as well as the conduct of services undertaken to support these activities to be general expenditures.

In addition to financial assets available to meet general expenditures over the next 12 months, United Way operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources.

**UNITED WAY OF GREATER MILWAUKEE AND WAUKESHA COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**NOTE 12 LIQUIDITY AND AVAILABILITY OF RESOURCES (CONTINUED)**

The following table reflects United Way's financial assets as of June 30, 2021 and 2020, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date because of internal board designations (see Note 9).

	<u>2021</u>	<u>2020</u>
Financial Assets at Year-End:		
Cash and Cash Equivalents	\$ 3,106,698	\$ 4,759,520
Investments	20,413,205	12,441,229
Pledges Receivable - Net	<u>9,261,498</u>	<u>11,459,465</u>
	32,781,401	28,660,214
Less Amounts Not Available to be Used Within One Year:		
Donor Restricted Grants	(1,639,859)	(864,271)
Board-Designated for Program and Initiative Funds	(22,770,366)	(19,616,364)
Board-Designated for Capital Improvements	<u>(768,627)</u>	<u>(268,627)</u>
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u>\$ 7,602,549</u>	<u>\$ 7,910,952</u>

**NOTE 13 NET PROGRAM INVESTMENTS**

United Way's mission is to improve lives by mobilizing community resources. United Way brings together people and resources from all across the community from government, business, faith groups, nonprofits and individuals, to accomplish more than any one organization or person can alone.

Undesignated pledges received were distributed to member and nonmember agencies across the following programs for the years ended June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
United Way Investment Strategies:		
Education	\$ 7,879,523	\$ 7,278,846
Financial Stability	5,432,626	5,127,771
Health	9,544,169	9,832,536
Subrecipients	462,837	799,089
COVID-19	<u>930,006</u>	<u>1,491,243</u>
Net Program Services	<u>\$ 24,249,161</u>	<u>\$ 24,529,485</u>

**UNITED WAY OF GREATER MILWAUKEE AND WAUKESHA COUNTY, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021 AND 2020**

**NOTE 14 GRANTS AND PROGRAMS**

**Teen Pregnancy Prevention Program**

Boys and Girls Clubs of Greater Milwaukee and United Way have partnered to have a significant impact on reducing rates of teen pregnancy and existing disparities in six targeted zip codes that have a birth rate of 65 births per 1,000, or higher, for 15-19 year olds. Our partnership will reach an estimated 13,000 youth ages 11-19 using evidence-based sexual health curricula. Additional youth will be reached through public awareness, youth gatherings, resource fairs, and social media.

This program is funded by a grant from the Boys and Girls Clubs of Greater Milwaukee. During fiscal 2021 and 2020, United Way expended \$289,625 and \$324,377, respectively, on the program, of which \$272,034 and \$278,490, respectively, was expended by United Way's sub-recipients under the grant.

**Milwaukee Community Schools Partnership**

The Milwaukee Community Schools Partnership (MCSP) is a collective strategy to transform schools into a place where students, families, staff, and the surrounding community can work together to ensure every student is successful.

Community Schools is a proven model to increase a school's capacity to better engage and align partnerships centered on the self-identified, real-time priorities of schools and communities. Our strategy places the focus on the whole child by providing academic supports, social and emotional learning, health and wellness, family and community engagement, and a safe and supportive climate.

This program is funded by a grant from the Milwaukee Public Schools, contributions from local area businesses and by an allocation from United Way. During fiscal 2021 and 2020, United Way expended \$964,027 and \$881,079, respectively, on the program, of which \$655,372 and \$520,599, respectively, was expended by United Way's sub-recipients under the program.

**UNITED WAY OF GREATER MILWAUKEE AND WAUKESHA COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**NOTE 15 PAYCHECK PROTECTION PROGRAM (PPP) LOAN**

On April 18, 2020, United Way received proceeds in the amount of \$1,439,200 to fund payroll, utilities, through the Paycheck Protection Program (the PPP Loan). The PPP Loan may be forgiven by the U.S. Small Business Administration (SBA) subject to certain performance barriers, as outlined in the loan agreement and the CARES Act.

United Way is following ASC 958-605, Contributions, to account for the proceeds related to the PPP Loan. Initially, proceeds from the PPP Loan were classified as a refundable advance on the statements of financial position. Prior to year-end, the SBA processed United Way's PPP Loan forgiveness application and notified the lender that the PPP Loan qualified for full forgiveness. Therefore, United Way was legally released from repayment of the refundable advance and the loan forgiveness has been recorded as paycheck protection program grant revenue on the statements of activities. As of June 30, 2021, United Way has satisfied the performance barriers attributable to the PPP Loan proceeds and the SBA has formally forgiven United Way's obligation under this PPP Loan.

**NOTE 16 CONCENTRATIONS**

The United Way maintains cash at an area financial institution, which, at times, may exceed FDIC limits. The United Way has not experienced any losses with these accounts. Management believes the United Way is not exposed to any significant risk on cash.

United Way had one major donor that accounted for approximately 45% of net campaign revenue for the year ended June 30, 2021.

**NOTE 17 RELATED PARTIES**

Certain members of the United Way's Board of Directors serve on boards of directors of various member agencies or service companies with which the United Way does business.

**NOTE 18 SUBSEQUENT EVENTS**

Management evaluated subsequent events through November 24, 2021 the date the financial statements were available to be issued. Events or transactions occurring after June 30, 2021, but prior to November 24, 2021 that provide additional evidence about conditions that existed at June 30, 2021, have been recognized in the financial statements for the year ended June 30, 2021. Events or transactions that provided evidence about conditions that did not exist at June 30, 2021 but arose before the financial statements were available to be issued have not been recognized in the financial statements for the year ended June 30, 2021.



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**INDEPENDENT AUDITORS' REPORT 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**

Board of Directors  
United Way of Greater Milwaukee and Waukesha County, Inc.  
Milwaukee, Wisconsin

We have audited, in accordance with the 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, the financial statements of United Way of Greater Milwaukee and Waukesha County, Inc., which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 24, 2021.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered United Way of Greater Milwaukee and Waukesha 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 United Way of Greater Milwaukee and Waukesha County, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of United Way of Greater Milwaukee and Waukesha 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.



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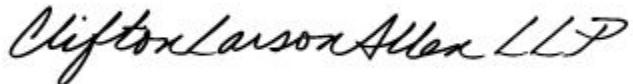
Board of Directors  
United Way of Greater Milwaukee and Waukesha County, Inc.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether United Way of Greater Milwaukee and Waukesha 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 financial statement. 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 result of that testing, and not to provide an opinion on the effectiveness of United Way of Greater Milwaukee and Waukesha County, Inc.'s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering United Way of Greater Milwaukee and Waukesha County, Inc.'s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is fluid and cursive, with "CliftonLarson" on the first line and "Allen LLP" on the second line.

**CliftonLarsonAllen LLP**

Milwaukee, Wisconsin  
November 24, 2021



CliftonLarsonAllen LLP  
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## **INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Board of Directors  
United Way of Greater Milwaukee and Waukesha County, Inc.  
Milwaukee, Wisconsin

### **Report on Compliance for Each Major Federal Program**

We have audited United Way of Greater Milwaukee and Waukesha County, Inc.'s compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of United Way of Greater Milwaukee and Waukesha County, Inc.'s major federal programs for the year ended June 30, 2021. United Way of Greater Milwaukee and Waukesha County, Inc.'s major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

### ***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of United Way of Greater Milwaukee and Waukesha County, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards, the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about United Way of Greater Milwaukee and Waukesha County, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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



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***Opinion on Each Major Federal Program***

In our opinion, United Way of Greater Milwaukee and Waukesha County, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

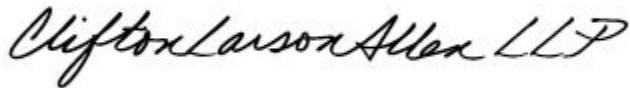
**Report on Internal Control Over Compliance**

Management of United Way of Greater Milwaukee and Waukesha County, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered United Way of Greater Milwaukee and Waukesha County, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of United Way of Greater Milwaukee and Waukesha County, Inc.'s internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



**CliftonLarsonAllen LLP**

Milwaukee, Wisconsin  
November 24, 2021

**UNITED WAY OF GREATER MILWAUKEE AND WAUKESHA COUNTY, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2021**

Federal Grantor/Pass Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
<b>Department of Education</b>				
Innovative Approaches to Literacy; Promise Neighborhoods; and Full-service Community Schools	84.215J	N/A	\$ 50,756	\$ 110,025
Pass through Milwaukee Public Schools				
Title I	84.010	C026506	400,000	400,000
School Improvement Grant (SIG)	84.377	C026506	80,000	80,000
Total Department of Education Programs			530,756	590,025
<b>Department of Health and Human Services Programs</b>				
Pass through State of Wisconsin, Department of Health Services, Division of Public Health				
Immunization Cooperative Agreements	93.268	435100-G21-VACCINECO-115	-	47,253
Pass through Office of Adolescent Health (OAH):				
Pass through Boys & Girls Clubs of Greater Milwaukee:				
Teen Pregnancy Prevention Program (TPPP)	93.297	TP1AH000103-05-UW	272,034	289,625
Total Department of Health and Human Services Programs			272,034	336,878
Total Expenditures of Federal Awards			\$ 802,790	\$ 926,903

**UNITED WAY OF GREATER MILWAUKEE AND WAUKESHA COUNTY, INC.  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
JUNE 30, 2021**

**NOTE 1 BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of United Way under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of United Way, it is not intended to and does not present the financial position, changes in net assets, or cash flows of United Way.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

**NOTE 3 INDIRECT COST RATE**

United Way has elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**UNITED WAY OF GREATER MILWAUKEE AND WAUKESHA COUNTY, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2021**

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**Section I – Summary of Auditors’ Results**

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***Financial Statements***

- |   |   |  |
|---|---|--|
| 1.  | Type of auditors' report issued:  | Unmodified                               |
| 2.  | Internal control over financial reporting:  |  |
| • Material weakness(es) identified?                   | _____ yes   | <input checked="" type="checkbox"/> no   |
| • Significant deficiency(ies) identified?<br>reported | _____ yes   | <input checked="" type="checkbox"/> none |
| 3.<br>statements noted?                               | Noncompliance material to financial<br>_____ yes <input checked="" type="checkbox"/> no |  |

***Federal Awards***

- |  |  |  |
|--|--|--|
| 1.   | Internal control over major federal programs:  |  |
| • Material weakness(es) identified?                          | _____ yes  | <input checked="" type="checkbox"/> no   |
| • Significant deficiency(ies) identified?<br>reported        | _____ yes  | <input checked="" type="checkbox"/> none |
| 2.<br>compliance for major federal programs:                 | Type of auditors' report issued on<br>Unmodified   |  |
| 3.<br>to be reported in accordance with<br>2 CFR 200.516(a)? | Any audit findings disclosed that are required<br>_____ yes <input checked="" type="checkbox"/> no |  |

***Identification of Major Federal Programs***

<b>Assistance Listing Number(s)</b>	<b>Name of Federal Program or Cluster</b>
84.010	Title 1 Grants to Local Educational Agencies
Dollar threshold used to distinguish between Type A and Type B programs:	\$ <u>750,000</u>
Auditee qualified as low-risk auditee?	_____ yes <input checked="" type="checkbox"/> no

**UNITED WAY OF GREATER MILWAUKEE AND WAUKESHA COUNTY, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2021**

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**Section II – Financial Statement Findings**

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Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

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**Section III – Findings and Questioned Costs – Major Federal Programs**

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Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).