

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

Combined Financial Report  
December 31, 2023

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RSM US LLP

## Independent Auditor's Report

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

### Report on the Audit of the Financial Statements

#### **Opinion**

We have audited the combined financial statements of the United Way of Dane County, Inc., United Way of Dane County Foundation, Inc. and Affiliates (the Corporation), which comprise the combined statement of financial position as of December 31, 2023, and the related combined statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the combined financial statements, (collectively, the financial statements).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as of December 31, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinion**

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

#### **Responsibilities of Management for the Financial Statements**

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

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

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

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

In performing an audit in accordance with GAAS, we:

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

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

### **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information, combining statement of financial position, combining statement of activities, and the fall of 2022 campaign, other revenue, program services and supporting expenses (unaudited), are presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information, except for that portion marked "unaudited," has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. The information marked "unaudited" has not been subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we do not express an opinion or provide any assurance on it. In our opinion, except for that portion marked "unaudited," the information is fairly stated in all material respects in relation to the financial statements as a whole.

**Report on Summarized Comparative Information**

We have previously audited United Way of Dane County, Inc., United Way of Dane County Foundation, Inc. and Affiliates' 2022 financial statements, and we expressed an unmodified audit opinion on those audited combined financial statements in our report dated June 8, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*RSM US LLP*

Madison, Wisconsin  
June 17, 2024

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

**Combined Statement of Financial Position  
December 31, 2023 (With Summarized Financial Information for 2022)**

	2023	2022
<b>Assets</b>		
Cash	\$ 2,670,053	\$ 717,238
Certificates of deposit and money markets	10,992,491	12,672,411
Investments	22,565,815	17,405,611
Contributions receivable:		
Current year campaign (net of allowance for uncollectible pledges of \$487,011 for 2023)	5,963,743	5,621,241
Prior year campaigns (net of allowance for uncollectible pledges of \$645,177 for 2023)	1,170,530	1,017,753
Future years	289,707	113,021
Other receivables	4,479,450	5,528,018
Prepaid expenses and other assets	390,673	292,607
Certificates of deposit and money markets, whose use is limited	747,798	794,462
Investments, whose use is limited	115,033	160,493
Loans receivable	637,775	140,738
Beneficial interest in assets held by others	946,708	903,604
Operating right-of-use assets	35,280	34,288
Land, building and equipment, net of accumulated depreciation	2,283,744	2,328,295
	<u>53,288,800</u>	<u>47,729,780</u>
<b>Total assets</b>	<b>\$ 53,288,800</b>	<b>\$ 47,729,780</b>
<b>Liabilities and Net Assets</b>		
Liabilities:		
Accounts payable and accrued expenses	\$ 888,654	\$ 598,960
Distributions payable:		
Donor designations from current year campaign	3,461,894	3,787,600
Donor designations and allocations from prior year campaign	1,227,433	1,234,355
Operating lease liabilities	35,280	34,288
Deferred compensation	137,533	160,493
<b>Total liabilities</b>	<u>5,750,794</u>	<u>5,815,696</u>
Net assets:		
Without donor restriction		
Available for general activities	7,412,799	7,395,717
Board-designated:		
Endowment fund	26,343,149	20,994,322
Building replacement	362,552	337,552
Special projects	1,381,582	1,385,118
<b>Total net assets without donor restriction</b>	<u>35,500,082</u>	<u>30,112,709</u>
With donor restriction	12,037,924	11,801,375
<b>Total net assets</b>	<u>47,538,006</u>	<u>41,914,084</u>
<b>Total liabilities and net assets</b>	<u>\$ 53,288,800</u>	<u>\$ 47,729,780</u>

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, 2023 (With Summarized Financial Information for 2022)**

	2023			2022 Total
	Without Donor Restriction	With Donor Restriction	Total	
Public support and revenue:				
Total gross campaign results (fall of 2022/2023)	\$ 4,449,303	\$ -	\$ 4,449,303	\$ 3,743,028
Total gross campaign results in prior year released from restriction	13,994,163	(13,994,163)	-	-
<b>Total campaign results (fall of 2022/2023)</b>	<b>18,443,466</b>	<b>(13,994,163)</b>	<b>4,449,303</b>	<b>3,743,028</b>
Less donor designated pledges to specific agencies	4,788,307	(3,886,553)	901,754	1,309,823
<b>Total campaign revenue</b>	<b>13,655,159</b>	<b>(10,107,610)</b>	<b>3,547,549</b>	<b>2,433,205</b>
Less allowance for unpaid pledges	392,021	(357,454)	34,567	(200,826)
<b>Net campaign revenue (fall of 2022/2023)</b>	<b>13,263,138</b>	<b>(9,750,156)</b>	<b>3,512,982</b>	<b>2,634,031</b>
Total gross campaign results (fall of 2023/2024)	-	13,305,691	13,305,691	13,577,308
Less donor designated pledges to specific agencies	-	4,011,127	4,011,127	3,886,553
<b>Total campaign revenue</b>	<b>-</b>	<b>9,294,564</b>	<b>9,294,564</b>	<b>9,690,755</b>
Less allowance for unpaid pledges	-	333,994	333,994	357,454
<b>Net campaign revenue (fall of 2023/2024)</b>	<b>-</b>	<b>8,960,570</b>	<b>8,960,570</b>	<b>9,333,301</b>
Current year campaign contributions released from restriction	100,031	(100,031)	-	-
Contributions received in current year for future years	-	423,880	423,880	258,100
Noncampaign contributions released from restriction	86,684	(86,684)	-	-
Noncampaign contributions of cash and other financial assets	3,558,570	803,975	4,362,545	4,010,782
Noncampaign contributions of nonfinancial assets	209,872	-	209,872	197,563
Grants	417,568	-	417,568	232,506
Federal grants	734,892	-	734,892	556,528
<b>Total public support</b>	<b>18,370,755</b>	<b>251,554</b>	<b>18,622,309</b>	<b>17,222,811</b>
Investment income (loss)	3,876,594	159,706	4,036,300	(3,064,123)
Change in beneficial interest in net assets held by others	43,104	-	43,104	(136,154)
Rental income	66,765	-	66,765	64,820
Donor designation fees	284,611	-	284,611	245,231
Miscellaneous	49,213	-	49,213	18,177
Sponsored activities, net	(248,085)	137,720	(110,365)	120,595
Other net assets released from restriction	312,431	(312,431)	-	-
<b>Total public support and revenue</b>	<b>22,755,388</b>	<b>236,549</b>	<b>22,991,937</b>	<b>14,471,357</b>

(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, 2023 (With Summarized Financial Information for 2022)

	2023			2022 Total
	Without Donor Restriction	With Donor Restriction	Total	
Expenses:				
Program services:				
Community impact	\$ 13,802,881	\$ -	\$ 13,802,881	\$ 13,442,702
Agency and volunteer development	4,559,247	-	4,559,247	5,599,792
<b>Total funds awarded/distributed</b>	<b>18,362,128</b>	<b>-</b>	<b>18,362,128</b>	<b>19,042,494</b>
Less donor designations	4,446,064	-	4,446,064	5,058,386
<b>Total program expenses</b>	<b>13,916,064</b>	<b>-</b>	<b>13,916,064</b>	<b>13,984,108</b>
Supporting services:				
Management and general	1,211,234	-	1,211,234	1,321,317
Resource development (fundraising)	2,240,717	-	2,240,717	2,291,887
<b>Total supporting services</b>	<b>3,451,951</b>	<b>-</b>	<b>3,451,951</b>	<b>3,613,204</b>
<b>Total expenses</b>	<b>17,368,015</b>	<b>-</b>	<b>17,368,015</b>	<b>17,597,312</b>
<b>Change in net assets</b>	<b>5,387,373</b>	<b>236,549</b>	<b>5,623,922</b>	<b>(3,125,955)</b>
Net assets, beginning	30,112,709	11,801,375	41,914,084	45,040,039
Net assets, ending	\$ 35,500,082	\$ 12,037,924	\$ 47,538,006	\$ 41,914,084

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, 2023 (With Summarized Financial Information for 2022)

	Program Services			Supporting Services			2023	2022
	Community Impact	Agency and Volunteer Development	Total	Management and General	Resource Development	Total	Total Expenses	Total Expenses
Salaries	\$ 2,126,238	\$ 684,534	\$ 2,810,772	\$ 691,273	\$ 1,207,043	\$ 1,898,316	\$ 4,709,088	\$ 4,450,953
Payroll taxes	146,710	56,730	203,440	51,959	90,564	142,523	345,963	337,695
Employee benefits	394,791	154,208	548,999	145,789	241,982	387,771	936,770	909,506
<b>Total salaries and related expenses</b>	<b>2,667,739</b>	<b>895,472</b>	<b>3,563,211</b>	<b>889,021</b>	<b>1,539,589</b>	<b>2,428,610</b>	<b>5,991,821</b>	<b>5,698,154</b>
Professional fees	361,062	98,226	459,288	58,772	49,115	107,887	567,175	640,437
Data processing	172,152	93,772	265,924	74,152	153,714	227,866	493,790	422,147
Supplies	12,277	75,857	88,134	484	2,462	2,946	91,080	127,038
Telephone and networks	3,095	14,289	17,384	2,882	3,561	6,443	23,827	28,833
Postage and shipping	639	32,309	32,948	4,000	2,057	6,057	39,005	9,519
Occupancy	37,357	38,019	75,376	47,307	76,540	123,847	199,223	195,888
Rental expense	100,811	-	100,811	-	-	-	100,811	95,804
Printing	28,788	77,758	106,546	14,298	62,695	76,993	183,539	196,832
Travel and meeting expense	14,755	12,929	27,684	8,268	27,444	35,712	63,396	47,022
Staff development	22,989	6,017	29,006	10,567	8,418	18,985	47,991	90,785
Insurance	6,186	2,003	8,189	2,518	4,411	6,929	15,118	16,016
Miscellaneous	7,737	2,621	10,358	13,207	134,380	147,587	157,945	158,363
Payments to affiliated organizations	93,896	52,869	146,765	48,708	85,298	134,006	280,771	294,923
Lease expense	4,112	3,934	8,046	3,839	5,798	9,637	17,683	27,373
Membership dues	11,184	5,603	16,787	5,162	9,044	14,206	30,993	31,480
<b>Total operations before depreciation and allocations/awards</b>	<b>3,544,779</b>	<b>1,411,678</b>	<b>4,956,457</b>	<b>1,183,185</b>	<b>2,164,526</b>	<b>3,347,711</b>	<b>8,304,168</b>	<b>8,080,614</b>
Depreciation	50,986	34,712	85,698	28,049	76,191	104,240	189,938	152,212
<b>Total operations</b>	<b>3,595,765</b>	<b>1,446,390</b>	<b>5,042,155</b>	<b>1,211,234</b>	<b>2,240,717</b>	<b>3,451,951</b>	<b>8,494,106</b>	<b>8,232,826</b>
Allocations/awards	10,207,116	3,112,857	13,319,973	-	-	-	13,319,973	14,422,872
<b>Total operations and allocations/awards</b>	<b>13,802,881</b>	<b>4,559,247</b>	<b>18,362,128</b>	<b>1,211,234</b>	<b>2,240,717</b>	<b>3,451,951</b>	<b>21,814,079</b>	<b>22,655,698</b>
Less donor designations	(3,374,831)	(1,071,233)	(4,446,064)	-	-	-	(4,446,064)	(5,058,386)
<b>Total expenses</b>	<b>\$ 10,428,050</b>	<b>\$ 3,488,014</b>	<b>\$ 13,916,064</b>	<b>\$ 1,211,234</b>	<b>\$ 2,240,717</b>	<b>\$ 3,451,951</b>	<b>\$ 17,368,015</b>	<b>\$ 17,597,312</b>

See notes to combined financial statements.

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

**Combined Statement of Cash Flows**

**Year Ended December 31, 2023 (With Summarized Financial Information for 2022)**

	<b>2023</b>	<b>2022</b>
Cash flows from operating activities:		
Change in net assets	\$ 5,623,922	\$ (3,125,955)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	216,370	190,781
Loss on disposals of fixed assets	10,269	-
(Gain) loss on investments	(3,427,861)	3,480,563
Change in value of beneficial interest in assets held by others	(81,032)	136,154
Increase (decrease) from changes in:		
Contributions receivable and distributions payable	(1,004,593)	2,697,659
Other receivables	1,048,568	(985,633)
Prepaid expenses and other assets	(98,066)	(35,504)
Accounts payable and accrued expenses	289,694	9,994
Operating lease liabilities	(3,135)	(15,854)
Deferred compensation	(22,960)	(84,315)
<b>Net cash provided by operating activities</b>	<b>2,551,176</b>	<b>2,267,890</b>
Cash flows from investing activities:		
Purchase of equipment	(178,953)	(189,334)
Purchase of certificates of deposit, money markets and investments	(11,798,844)	(16,175,562)
Proceeds from maturities and sales of certificates of deposit, money markets and investments	11,838,545	12,982,654
Disbursements of loan receivables	(500,000)	(100,000)
Proceeds from loan receivable repayments	2,963	1,436
Proceeds from distribution of beneficial interest in assets held by others	37,928	-
<b>Net cash used in investing activities</b>	<b>(598,361)</b>	<b>(3,480,806)</b>
<b>Net increase (decrease) in cash</b>	<b>1,952,815</b>	<b>(1,212,916)</b>
Cash, beginning	717,238	1,930,154
Cash, ending	<u>\$ 2,670,053</u>	<u>\$ 717,238</u>
Supplemental schedule of noncash operating activities:		
Right-of-use assets acquired through operating leases	<u>\$ 26,807</u>	<u>\$ 12,147</u>
Right-of-use assets disposed through early termination of operating lease	<u>\$ (22,680)</u>	<u>\$ (3,174)</u>

See notes to combined financial statements.

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

### Notes to Combined Financial Statements

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#### Note 1. Nature of Activities and Significant Accounting Policies

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

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

**Principles of combination:** The combined financial statements include the accounts of United Way of Dane County, Inc. and United Way of Dane County Foundation, Inc. as well as all fundraising campaigns for which United Way of Dane County is the fiscal agent, which include SECC, Madison Metropolitan School District, Madison College, City of Madison and County of Dane Combined Campaigns. SECC fiscal agent status is authorized under Administrative Rule section 30 of the Wisconsin Administrative Code. The United Way of Dane County Foundation, Inc. is consolidated with the United Way of Dane County, Inc., while the affiliate fundraising campaigns are combined. All significant intercompany accounts and transactions have been eliminated in combination.

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

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

The combined 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 combined financial statements for the year ended December 31, 2022, from which the summarized information was derived.

**Use of estimates:** The preparation of combined 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 combined 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 fair value. Certificates of deposit and money markets whose use is limited for Affiliates consists of amounts held for the Partners in Giving Campaign (SECC), Madison Metropolitan School District, Madison College, City of Madison and County of Dane Combined Campaigns.

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

### Notes to Combined Financial Statements

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

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

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

**Contributions receivable:** Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows. Management determines the allowance for uncollectible pledges by using historical experience applied to an aging of accounts. Contributions receivables are written off when deemed uncollectible. Recoveries of contributions receivable previously written off are recorded when received.

Current year and prior year campaign contributions receivable totaling \$7,134,273 are expected to be collected in 2024. Contributions receivable in future years are expected to be collected by 2025.

**Other receivables:** Other receivables primarily consist of non-campaign contribution pledges and federal grants. 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, 2023. See note 14 for Centennial Campaign pledge receivables which are included within other receivables on the statement of financial position.

**Loans receivable and allowance for credit losses:** Loan receivables are valued at lower of cost or fair value, less an allowance for credit losses. A loan receivable is considered to be past due if any portion of the receivable balance is outstanding for more than 5 days past loan repayment schedules.

The Corporation adopted ASC 326, Financial Instruments—Credit Losses, as of January 1, 2023, with the cumulative-effect transition method with the required prospective approach. The measurement of expected credit losses under the current expected credit loss (CECL) methodology is applicable to financial assets measured at amortized cost, which include loans receivable. An allowance for credit losses under the CECL methodology is determined using the loss-rate approach and measured on a collective (pool) basis when similar risk characteristics exist. Where financial instruments do not share risk characteristics, they are evaluated on an individual basis. The CECL allowance is based on relevant available information, from internal and external sources, relating to past events, current conditions and reasonable and supportable forecasts. The allowance for credit losses as of December 31, 2023, and change in the allowance for credit losses during the year ended December 31, 2023, was not material to the financial statements.

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

### Notes to Combined Financial Statements

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

Loan receivables consist of six loans, with original maturities of 15 to 20 years, with development corporations to help fund projects in conjunction with the Affordable Housing Fund within the United Way of Dane County Foundation. The Affordable Housing Fund is intended to help create and sustain affordable housing options in Dane County. As of December 31, 2023, the outstanding loan receivables balance is approximately \$638,000. Interest charged on loan receivables is 3% annually and maturity dates range from August 2034 to June 2042. There were no write offs of loan receivable amounts during the year ended December 31, 2023.

**Beneficial interest in assets held by others:** The Corporation has a beneficial interest in assets held by the Madison Community Foundation (MCF) in the United Way Endowment Fund (Endowment). The Endowment was created by a transfer of assets from the Corporation to MCF, naming the Corporation as beneficiary. The Corporation recognizes changes in its beneficial interest in assets held by others in the accompanying combined statement of activities as a change in beneficial interest in assets held by others.

**Leases—lessee:** The Corporation determines if an arrangement is or contains a lease at inception, which is the date on which the terms of the contract are agreed to, and the agreement creates enforceable rights and obligations. A contract is or contains a lease when: (i) explicitly or implicitly identified assets have been deployed in the contract and (ii) the Corporation obtains substantially all of the economic benefits from the use of that underlying asset and directs how and for what purpose the asset is used during the term of the contract. The Corporation also considers whether its service arrangements include the right to control the use of an asset.

The Corporation recognizes most leases on its combined statement of financial position as a right-of-use (ROU) asset representing the right to use an underlying asset and a lease liability representing the obligation to make lease payments over the lease term, measured on a discounted basis. Leases are classified as either finance leases or operating leases based on certain criteria. Classification of the lease affects the pattern of expense recognition in the combined statement of activities.

The Corporation made an accounting policy election available not to recognize ROU assets and lease liabilities for leases with a term of 12 months or less. For all other leases, ROU assets and lease liabilities are measured based on the present value of future lease payments over the lease term at the commencement date of the. The ROU assets also include any initial direct costs incurred and lease payments made at or before the commencement date and are reduced by any lease incentives received. To determine the present value of lease payments, the Corporation made an accounting policy election available to non-public companies to utilize a risk-free borrowing rate, which is aligned with the lease term at the lease commencement date.

Future lease payments may include fixed rent escalation clauses or payments that depend on an index (such as the consumer price index), which is initially measured using the index or rate at lease commencement. Subsequent changes of an index and other periodic market-rate adjustments to base rent are recorded in variable lease expense in the period incurred. Residual value guarantees or payments for terminating the lease are included in the lease payments only when it is probable they will be incurred.

The Corporation has not made an accounting policy election to account for lease and non-lease components in its contracts as a single lease component for its equipment asset class. The non-lease components typically represent additional services transferred to or by the Corporation, such as supplies and maintenance, which are expensed as incurred in accordance with U.S. GAAP.

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

### Notes to Combined Financial Statements

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

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

Building	40 years
Building improvement	20 years
Furniture and equipment	10 years
Computer equipment	5 years

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

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

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

**Campaign and noncampaign contributions:** All contributions are considered to be without donor restriction unless specifically restricted by the donor and are recorded upon receipt of cash or unconditional pledge. Amounts received that are restricted for future periods or are restricted by the donor for specific purposes are reported as net assets with donor restriction that increases that net asset class. When a donor restriction expires, that is when a stipulated time restriction ends or purpose restriction is accomplished, restricted net assets are reclassified to net assets without donor restriction and are reported in the combined statement of activities as net assets released from restriction. Contributions received with donor restrictions that are met in the same year are recognized as increases in net assets without donor restrictions. Contributions are recorded within the noncampaign contributions of cash and other financial assets, noncampaign contributions of nonfinancial assets, contributions received in current year for future years, and total gross campaign results on the combined statement of activities, depending on the type of contribution received.

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

**Grants revenue:** Revenue from grants, including federal grants, is recognized when the barriers have been met (generally when qualifying expenses have been incurred and all other grant requirements have been met). Funds received in advance and not yet earned are recorded as deferred revenues. The Corporation has conditional grants awarded from grantors of approximately \$4,061,000 as of December 31, 2023, of which approximately \$3,013,000 is unrecognized. These amounts have not been recognized, because the Corporation has not yet met the related barriers. Future payments are contingent upon the Corporation carrying out certain activities related to meeting grantor-imposed barriers stipulated by the grant or contract.

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

### Notes to Combined Financial Statements

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

**Rental income:** The Corporation leases office space within their owned building to nonprofit organizations. These leases may contain extension and termination options that are predominantly at the sole discretion of the lessee, provided certain conditions are satisfied. Lease components are elements of an arrangement that provide the customer with the right to use an identified asset. Nonlease components are distinct elements of a contract that are not related to securing the use of the leased asset and revenue is recognized in accordance with ASC Topic 606, Revenue from Contracts with Customers. The Corporation has no nonlease components. The Corporation capitalizes incremental direct leasing costs and expenses non-incremental direct costs. The Corporation had no incremental leasing costs for the year ended December 31, 2023.

Future undiscounted cash flows to be received in the next fiscal year (2024) are \$23,216 as of December 31, 2023.

**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 expenses are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Non-depreciation expenses 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:** United Way of Dane County, Inc. (UWDC) and the Foundation are exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. UWDC and the Foundation are also exempt from state income and franchise taxes.

UWDC 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 UWDC and the Foundation and various positions relative to potential sources of unrelated business income tax (UBIT). UBIT is reported on 990T, as appropriate. The benefit of a tax position is recognized in the combined 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.

**Reclassifications:** Certain reclassifications of amounts previously reported have been made to the accompanying combined financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets or change in net assets.

**Subsequent events:** Management of the Corporation has evaluated subsequent events through June 17, 2024, the date the combined financial statements were available to be issued for possible measurement and/or disclosure effects on the combined financial statements.

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

### Notes to Combined Financial Statements

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

The Corporation's financial assets available for general expenditures within one year of December 31, 2023:

Cash	\$ 2,670,053
Certificates of deposit and money markets	10,992,491
Investments	22,565,815
Contributions receivable, net	7,134,273
Other receivables	4,479,450
Total financial assets	<u>47,842,082</u>
Less:	
Amounts unavailable for general expenditures within one year, due to:	
Restricted by donor with purpose restrictions	1,049,429
Restricted by donor with designations	4,689,327
Restricted by donors in perpetuity	850,116
Certificates of deposit maturing after December 31, 2024	2,340,575
Non-campaign pledges due in future years	1,699,285
Total amounts unavailable for general expenditures within one year	<u>10,628,732</u>
Amounts unavailable to management without Board approval:	
Board-designated for Endowment fund	26,343,149
Board-designated for Building replacement	362,552
Board-designated for Special projects	1,381,582
Total amounts unavailable to management without Board approval	<u>28,087,283</u>
Total financial assets available to management for general expenditures within one year	<u>\$ 9,126,067</u>

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



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

**Notes to Combined Financial Statements**

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

The three levels of the fair value hierarchy under the provisions are described below:

**Level 1:** Unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. This level of the fair value hierarchy provides for the most reliable evidence of fair value and is used to measure fair value whenever available.

**Level 2:** Inputs other than quoted prices within Level 1 that are observable for the investment, either directly or indirectly. These inputs include quoted prices for similar investments in active markets, quoted prices for identical or similar investments in markets that are not active, and inputs other than quoted prices that are observable for the investment, for example interest rate and yield curves, volatilities, prepayment speeds and credit risk among others. These are inputs that are derived principally from or corroborated by observable market data by correlation or other means.

**Level 3:** Inputs are unobservable for the investment and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value are based upon the best information in the circumstances and may require significant management judgment estimation.

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

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

	December 31, 2023			
	Total	Level 1	Level 2	Level 3
Investments, certificates of deposit, and money markets:				
Fixed income securities:				
U.S. Government obligations	\$ 2,947,202	\$ 2,947,202	\$ -	\$ -
Corporate bond obligations	742,734	742,734	-	-
Equity securities	10,746,860	10,746,860	-	-
Mutual funds:				
Equity	6,972,937	6,972,937	-	-
Fixed income	1,271,115	1,271,115	-	-
Certificates of deposit	5,441,058	-	5,441,058	-
Money markets	6,299,231	6,299,231	-	-
Total investments, certificates of deposit, and money markets	34,421,137	28,980,079	5,441,058	-
Beneficial interest in assets held by others	946,708	-	-	946,708
	<u>\$ 35,367,845</u>	<u>\$ 28,980,079</u>	<u>\$ 5,441,058</u>	<u>\$ 946,708</u>

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

### Notes to Combined Financial Statements

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

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

Investments	\$ 22,565,815
Investments, whose use is limited	115,033
Certificates of deposit and money markets	10,992,491
Certificates of deposit and money markets, whose use is limited	747,798
Beneficial interest in assets held by others	946,708
	<u>\$ 35,367,845</u>

Investment income on the combined statement of activities for the year ended December 31, 2023, consisted of:

Interest and dividends	\$ 608,439
Net realized and unrealized gains	3,427,861
Total investment income	<u>\$ 4,036,300</u>

Change in beneficial interest in assets held by others on the combined statement of activities for the year ended December 31, 2023, consisted of:

Change in value of beneficial interest in assets held by others	\$ 81,032
Distribution of beneficial interest in assets held by others	(37,928)
Net change in beneficial interest in assets held by others	<u>\$ 43,104</u>

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

**Investments:** The Corporation's investment portfolio consists of debt and equity securities which are traded on the NASDAQ and the NYSE. Fair value is based on quoted market prices for the individual investment security. The Corporation invests in a professionally managed portfolio that contains equity securities, corporate bond obligations, equity and fixed income mutual funds, and U.S. Government obligations. Such investments are exposed to various risks such as interest rate, market, and credit. Due to the level of risk associated with such investments and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in risks in the near term would materially affect investment balances and the amounts reported in the combined financial statements.

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

For the year ended December 31, 2023, valuation techniques have been consistent with the prior year.

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

### Notes to Combined Financial Statements

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

Land, building and equipment consisted of the following at December 31, 2023:

Land	\$ 137,238
Building and building improvement	4,020,068
Furniture and equipment	<u>1,609,420</u>
	5,766,726
Less accumulated depreciation	<u>3,482,982</u>
	<u>\$ 2,283,744</u>

#### Note 5. Postretirement Benefits

The Corporation has a defined contribution plan covering substantially all employees who have met certain age and service requirements. The Board of Directors approves the base contribution percentage annually, which for year ending December 31, 2023, was 8% of compensation. Cost of the plan charged to operations was approximately \$252,900 for the year ended December 31, 2023.

#### Note 6. Deferred Compensation Agreement

The Corporation has a deferred compensation agreement with its former President/CEO. The deferred compensation expense is adjusted based on the fair market value changes of the underlying fund balance. The change in fair value for the year ended December 31, 2023, was \$15,871. The deferred compensation liability was \$115,033 at December 31, 2023. The full value of the fund is being distributed to the former president in 20 quarterly installments, which began in 2020. The deferred compensation distributions in 2023 totaled \$61,332.

During the year ended December 31, 2023, the Corporation entered into a deferred compensation agreement with its current President/CEO. The Corporation will make annual installments deposited into a deferred compensation fund, which is impacted by annual investment gains and losses. The annual installment made to the deferred compensation fund in 2023 was \$22,500. The deferred compensation liability was \$22,500 at December 31, 2023. The full value of the fund will be paid to the President/CEO either as a lump sum or in a stated number of equal installments upon the earliest of the following events: reaching seventy- and one-half years of age; termination of employment or in an unforeseeable emergency.

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

A total of \$18,362,128 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, 2023:

Community impact	\$ 13,802,881
Agency and volunteer development	<u>4,559,247</u>
Total	18,362,128
Less donor designations to specific organizations	<u>4,446,064</u>
Total community building funds net of designations	<u>\$ 13,916,064</u>

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

### Notes to Combined Financial Statements

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#### Note 7. Vision Council Funding/Designations to Agencies (Continued)

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% 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 \$312,500 in 2023, which is included in the allocation/awards on the combined statement of functional expenses. The allocation for 2024 will approximate \$274,000.

United Way of Dane County, Inc. has an agreement with the American Heart Association, an unrelated nonprofit organization, which began with the 2021 campaign and continues through December 31, 2024. 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 \$156,000 in 2023, which is included in the allocation/awards on the combined statement of functional expenses. The allocation for 2024 will approximate \$137,000.

#### 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 \$280,771 for the year ended December 31, 2023.

#### Note 9. Fiscal Agent Services

United Way of Dane County, Inc. is the fiscal agent for the Partners in Giving Campaign (State, University and UW Health Employees of Dane County Combined Campaign (SECC)), Madison Metropolitan Schools District, Madison College, City of Madison, and County of Dane 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 2023/2024) for the year ended December 31, 2023, was as follows:

Partners in Giving Campaign—SECC	\$ 1,895,360
Madison Metropolitan Schools District	24,357
Madison College	59,220
City of Madison	75,122
County of Dane	86,409
Total	<u><u>\$ 2,140,468</u></u>

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

**Notes to Combined Financial Statements**

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**Note 10. Net Assets with Donor Restriction**

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

Subject to expenditure for specified purpose:	
HealthConnect	\$ 950,062
Alexis de Tocqueville Society	99,367
	<u>1,049,429</u>
Subject to the passage of time:	
For periods after December 31, 2023	10,138,379
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	850,116
Total net assets with donor restriction	<u>\$ 12,037,924</u>

Net assets are released from donor restriction by incurring expenses satisfying the restricted purposes or by the passage of time or other events specified by donors. Net assets with donor restrictions were released for the following reasons during the year ended December 31, 2023:

Purpose restriction accomplished:	
HealthConnect	\$ 80,614
Alexis de Tocqueville Society	501
	<u>81,115</u>
Time restriction expired:	
Passage of specified time	10,130,545
Release of appropriated endowment amounts with purpose restriction:	
Children, elderly and families	37,642
Total restrictions released	<u>\$ 10,249,302</u>

**Note 11. Contributed Services**

Contributed services are included in the accompanying combined statement of activities as noncampaign contributions of nonfinancial assets. Contributed services include marketing services of \$35,815, included in resource development expense, legal services of \$8,375, included in management and general expense and supervisory services of \$166,182, included in program expenses. All contributed services are reported at the estimated fair value in the combined statement of activities based on current rates for similar services.

Approximately 21,000 hours in 2023 were volunteered by employees of local companies participating in activities including the Board of Directors, employee campaign managers, loaned executives, operating committees, and program volunteers. Volunteers assist the Corporation during the annual campaign. No value has been assigned or reported in the accompanying combined financial statements for volunteered services.

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

**Notes to Combined Financial Statements**

**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.

**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, 2023:

	Without Donor Restriction	With Donor Restriction	Total
Donor-restricted	\$ -	\$ 949,483	\$ 949,483
Board-designated	26,343,149	-	26,343,149
Total funds	<u>\$ 26,343,149</u>	<u>\$ 949,483</u>	<u>\$ 27,292,632</u>

The changes in endowment by net asset class for the Corporation were as follows for the year ended December 31, 2023:

	Without Donor Restriction	With Donor Restriction	Total
Endowment net assets, beginning of the year	\$ 20,994,322	\$ 831,858	\$ 21,826,180
Investment return:			
Investment income (net of fees)	390,473	18,187	408,660
Net appreciation (realized and unrealized)	2,880,340	137,581	3,017,921
Total investment gain	<u>3,270,813</u>	<u>155,768</u>	<u>3,426,581</u>
Transfer to board designated	2,721,980	-	2,721,980
Appropriation of endowment assets for expenditures	(643,966)	(38,143)	(682,109)
Endowment net assets, end of year	<u>\$ 26,343,149</u>	<u>\$ 949,483</u>	<u>\$ 27,292,632</u>

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

### Notes to Combined Financial Statements

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#### Note 12. Endowment Funds (Continued)

**Funds with deficiencies:** From time to time, the fair value of assets associated with the individual donor-restricted endowment fund may fall below the level that the donor or Wisconsin UPMIFA requires the Corporation to retain as a fund of perpetual duration. There were no deficiencies of this nature as of December 31, 2023.

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

**Strategies employed for achieving objectives:** To satisfy its long-term rate-of-return objectives, the Corporation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Corporation targets a managed diversified asset allocation that places emphasis on debt, government, and equity-based investments to achieve its long-term return objectives within prudent risk constraints.

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

#### Note 13. Leases—Lessee

The Corporation leases equipment under operating lease agreements that have initial terms of five years. Leases include an option to renew, at the Corporation's sole discretion, with renewal terms that can extend the lease term up to five more years. The option to extend a lease is included in the lease terms when it is reasonably certain that the Corporation will exercise that option. The Corporation's operating leases do not contain any material restrictive covenants or residual value guarantees. Operating lease expense is recognized on a straight-line basis over the lease term and is included in the accompanying combined statement of functional expenses under the caption lease expense.

Supplemental cash flow information related to leases is as follows for the year ended December 31, 2023:

Cash paid for amounts included in measurement of lease liabilities:	
Operating cash outflows—payments on operating leases	\$ 17,683

Supplemental combined statement of financial position information related to leases is as follows as of December 31, 2023:

Operating leases weighted-average remaining lease term	3.9 years
Operating leases weighted-average discount rate	3.3%

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

**Notes to Combined Financial Statements**

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**Note 13. Leases—Lessee (Continued)**

Future undiscounted cash flows and a reconciliation to the lease liabilities recognized on the combined statement of financial position are as follows as of December 31, 2023:

	Operating Leases
	<u>                    </u>
Years ending December 31:	
2024	\$ 17,683
2025	17,683
2026	17,683
2027	<u>16,558</u>
Total lease payments	69,607
Less imputed interest	<u>(34,327)</u>
Total present value of lease liabilities	<u><u>\$ 35,280</u></u>

**Note 14. Centennial Campaign Pledge Receivables**

The Foundation has received multiple unconditional non-campaign pledge receivables which are included in the endowment fund as part of the Centennial Campaign. The Foundation will receive payments related to the pledges over the next five years. The pledge receivables have been discounted using U.S. Treasury rates ranging from 0.48% to 4.36%. The pledge receivables are included in other receivables on the combined statement of financial position.

Non-campaign pledge receivables	\$ 4,079,000
Less discount for the time value of money	<u>96,215</u>
Net pledges receivable	<u><u>\$ 3,982,785</u></u>
Amounts due in:	
Less than one year	\$ 2,283,500
One to five years	<u>1,699,285</u>
Total	<u><u>\$ 3,982,785</u></u>

As of December 31, 2023, approximately 74% of the outstanding balances were due from one donor.



## **Supplementary Information**

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

**Combining Statement of Financial Position  
December 31, 2023**

	United Way of Dane County, Inc.	United Way of Dane County Foundation, Inc.	Affiliates	Eliminations	Total
<b>Assets</b>					
Cash	\$ 383,857	\$ 2,286,196	\$ -	\$ -	\$ 2,670,053
Certificates of deposit and money markets	10,751,105	241,344	42	-	10,992,491
Investments	477,809	22,088,006	-	-	22,565,815
Contributions receivable:					
Current year campaign, net	5,276,949	-	1,476,084	(789,290)	5,963,743
Prior year campaigns, net	1,143,239	-	27,291	-	1,170,530
Future years	289,707	-	-	-	289,707
Other receivables	636,279	4,423,951	-	(580,780)	4,479,450
Prepaid expenses and other assets	298,364	90,809	1,500	-	390,673
Certificates of deposit and money markets, whose use is limited	22,500	-	725,298	-	747,798
Investments, whose use is limited	115,033	-	-	-	115,033
Loans receivables	-	637,775	-	-	637,775
Beneficial interest in assets held by others	946,708	-	-	-	946,708
Interest in net assets of United Way of Dane County Foundation, Inc.	29,789,056	-	-	(29,789,056)	-
Operating right-of-use assets	35,280	-	-	-	35,280
Land, building, and equipment, net of accumulated depreciation	2,217,634	66,110	-	-	2,283,744
<b>Total assets</b>	<b>\$ 52,383,520</b>	<b>\$ 29,834,191</b>	<b>\$ 2,230,215</b>	<b>\$(31,159,126)</b>	<b>\$ 53,288,800</b>
<b>Liabilities and Net Assets</b>					
Liabilities:					
Accounts payable and accrued expenses	\$ 847,202	\$ 45,135	\$ 120,037	\$ (123,720)	\$ 888,654
Distributions payable:					
Donor designations from current year campaign	2,856,312	-	1,900,719	(1,295,137)	3,461,894
Donor designations and allocations from prior year campaign	1,096,418	-	131,015	-	1,227,433
Operating lease liabilities	35,280	-	-	-	35,280
Deferred compensation	137,533	-	-	-	137,533
<b>Total liabilities</b>	<b>4,972,745</b>	<b>45,135</b>	<b>2,151,771</b>	<b>(1,418,857)</b>	<b>5,750,794</b>
Net assets:					
Without donor restriction:					
Available for general activities	7,281,058	1,177,802	-	(1,046,061)	7,412,799
Board-designated:					
Endowment fund	26,343,149	26,343,149	-	(26,343,149)	26,343,149
Building replacement	362,552	-	-	-	362,552
Special projects	1,381,582	1,203,569	-	(1,203,569)	1,381,582
<b>Total net assets without donor restriction</b>	<b>35,368,341</b>	<b>28,724,520</b>	<b>-</b>	<b>(28,592,779)</b>	<b>35,500,082</b>
With donor restriction	12,042,434	1,064,536	78,444	(1,147,490)	12,037,924
<b>Total net assets</b>	<b>47,410,775</b>	<b>29,789,056</b>	<b>78,444</b>	<b>(29,740,269)</b>	<b>47,538,006</b>
<b>Total liabilities and net assets</b>	<b>\$ 52,383,520</b>	<b>\$ 29,834,191</b>	<b>\$ 2,230,215</b>	<b>\$(31,159,126)</b>	<b>\$ 53,288,800</b>

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

Combining Statement of Activities  
Year Ended December 31, 2023

	Without Donor Restriction					With Donor Restriction					Total
	United Way of Dane County, Inc.	United Way of Dane County Foundation, Inc.	Affiliates	Eliminations	Total	United Way of Dane County, Inc.	United Way of Dane County Foundation, Inc.	Affiliates	Eliminations	Total	
Public support and revenue:											
Total gross campaign results (fall of 2022/2023)	\$ 4,472,389	\$ -	\$ 77,322	\$ (100,408)	\$ 4,449,303	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,449,303
Total gross campaign results in prior year released from restriction	12,938,783	-	1,924,287	(868,907)	13,994,163	(12,938,783)	-	(1,924,287)	868,907	(13,994,163)	-
<b>Total campaign results (fall of 2022/2023)</b>	<b>17,411,172</b>	<b>-</b>	<b>2,001,609</b>	<b>(969,315)</b>	<b>18,443,466</b>	<b>(12,938,783)</b>	<b>-</b>	<b>(1,924,287)</b>	<b>868,907</b>	<b>(13,994,163)</b>	<b>4,449,303</b>
Less donor designated pledges to specific agencies	3,758,023	-	1,935,653	(905,369)	4,788,307	(2,830,349)	-	(1,864,223)	808,019	(3,886,553)	901,754
<b>Total campaign revenue</b>	<b>13,653,149</b>	<b>-</b>	<b>65,956</b>	<b>(63,946)</b>	<b>13,655,159</b>	<b>(10,108,434)</b>	<b>-</b>	<b>(60,064)</b>	<b>60,888</b>	<b>(10,107,610)</b>	<b>3,547,549</b>
Less allowance for unpaid pledges	388,949	-	3,072	-	392,021	(353,613)	-	(3,841)	-	(357,454)	34,567
<b>Net campaign revenue (fall of 2022/2023)</b>	<b>13,264,200</b>	<b>-</b>	<b>62,884</b>	<b>(63,946)</b>	<b>13,263,138</b>	<b>(9,754,821)</b>	<b>-</b>	<b>(56,223)</b>	<b>60,888</b>	<b>(9,750,156)</b>	<b>3,512,982</b>
Total gross campaign results (fall of 2023/2024)	-	-	-	-	-	12,102,149	-	2,140,468	(936,926)	13,305,691	13,305,691
Less donor designated pledges to specific agencies	-	-	-	-	-	2,908,244	-	1,956,854	(853,971)	4,011,127	4,011,127
<b>Total campaign revenue</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,193,905</b>	<b>-</b>	<b>183,614</b>	<b>(82,955)</b>	<b>9,294,564</b>	<b>9,294,564</b>
Less allowance for unpaid pledges	-	-	-	-	-	328,855	-	5,139	-	333,994	333,994
<b>Net campaign revenue (fall of 2023/2024)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,865,050</b>	<b>-</b>	<b>178,475</b>	<b>(82,955)</b>	<b>8,960,570</b>	<b>8,960,570</b>
Current year campaign contributions released from restriction	-	-	100,031	-	100,031	-	-	(100,031)	-	(100,031)	-
Contributions received in current year for future years	-	-	-	-	-	423,880	-	-	-	423,880	423,880
Noncampaign contributions released from restriction	86,684	-	-	-	86,684	(86,684)	-	-	-	(86,684)	-
Noncampaign contributions of cash and other financial assets	1,654,252	2,605,331	-	(701,013)	3,558,570	803,975	-	-	-	803,975	4,362,545
Noncampaign contributions of nonfinancial assets	209,872	-	-	-	209,872	-	-	-	-	-	209,872
Grants	417,568	-	-	-	417,568	-	-	-	-	-	417,568
Federal grants	734,892	-	-	-	734,892	-	-	-	-	-	734,892
<b>Total public support</b>	<b>16,367,468</b>	<b>2,605,331</b>	<b>162,915</b>	<b>(764,959)</b>	<b>18,370,755</b>	<b>251,400</b>	<b>-</b>	<b>22,221</b>	<b>(22,067)</b>	<b>251,554</b>	<b>18,622,309</b>
Investment income	334,589	3,541,493	512	-	3,876,594	-	159,706	-	-	159,706	4,036,300
Change in beneficial interest in net assets held by others	43,104	-	-	-	43,104	-	-	-	-	-	43,104
Rental income	66,765	-	-	-	66,765	-	-	-	-	-	66,765
Donor designation fees	284,364	-	247	-	284,611	-	-	-	-	-	284,611
Miscellaneous	81,165	30,032	-	(61,984)	49,213	-	-	-	-	-	49,213
Sponsored activities, net	(247,646)	(439)	-	-	(248,085)	137,720	-	-	-	137,720	(110,365)
Other net assets released from restriction	245,355	67,076	-	-	312,431	(245,355)	(67,076)	-	-	(312,431)	-
<b>Total public support and revenue</b>	<b>17,175,164</b>	<b>6,243,493</b>	<b>163,674</b>	<b>(826,943)</b>	<b>22,755,388</b>	<b>143,765</b>	<b>92,630</b>	<b>22,221</b>	<b>(22,067)</b>	<b>236,549</b>	<b>22,991,937</b>

(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, 2023

	Without Donor Restriction					With Donor Restriction					
	United Way of Dane County, Inc.	United Way of Dane County Foundation, Inc.	Affiliates	Eliminations	Total	United Way of Dane County, Inc.	United Way of Dane County Foundation, Inc.	Affiliates	Eliminations	Total	Total
Expenses:											
Program services:											
Community impact	\$ 14,649,059	\$ -	\$ -	\$ (846,178)	\$ 13,802,881	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,802,881
Agency and volunteer development	2,609,727	701,013	1,949,520	(701,013)	4,559,247	-	-	-	-	-	4,559,247
<b>Total funds awarded/distributed</b>	<b>17,258,786</b>	<b>701,013</b>	<b>1,949,520</b>	<b>(1,547,191)</b>	<b>18,362,128</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18,362,128</b>
Less donor designations	3,374,831	-	1,893,987	(822,754)	4,446,064	-	-	-	-	-	4,446,064
<b>Total program expenses</b>	<b>13,883,955</b>	<b>701,013</b>	<b>55,533</b>	<b>(724,437)</b>	<b>13,916,064</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,916,064</b>
Supporting services:											
Management and general	1,189,107	22,127	-	-	1,211,234	-	-	-	-	-	1,211,234
Resource development (fundraising)	2,109,817	109,371	108,141	(86,612)	2,240,717	-	-	-	-	-	2,240,717
<b>Total supporting services</b>	<b>3,298,924</b>	<b>131,498</b>	<b>108,141</b>	<b>(86,612)</b>	<b>3,451,951</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,451,951</b>
<b>Total expenses</b>	<b>17,182,879</b>	<b>832,511</b>	<b>163,674</b>	<b>(811,049)</b>	<b>17,368,015</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17,368,015</b>
Change in interest in net assets of United Way of Dane County Foundation, Inc.	5,410,982	-	-	(5,410,982)	-	92,630	-	-	(92,630)	-	-
<b>Change in net assets</b>	<b>5,403,267</b>	<b>5,410,982</b>	<b>-</b>	<b>(5,426,876)</b>	<b>5,387,373</b>	<b>236,395</b>	<b>92,630</b>	<b>22,221</b>	<b>(114,697)</b>	<b>236,549</b>	<b>5,623,922</b>
Net assets, beginning	29,965,074	23,313,538	-	(23,165,903)	30,112,709	11,806,039	971,906	56,223	(1,032,793)	11,801,375	41,914,084
Net assets, ending	\$ 35,368,341	\$ 28,724,520	\$ -	\$ (28,592,779)	\$ 35,500,082	\$ 12,042,434	\$ 1,064,536	\$ 78,444	\$ (1,147,490)	\$ 12,037,924	\$ 47,538,006

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

**Fall of 2022 (2022-2023) Campaign, Other Revenue, Program Services  
and Supporting Expenses (Unaudited)  
December 31, 2023**

2022 campaign pledge results:		
Gross undesignated campaign results	\$ 13,655,159	
Gross designated campaign results	4,788,307	
Allowance for unpaid pledges	<u>(526,063)</u>	
<b>Net campaign results from the fall of 2022's campaign</b>	<b>17,917,403</b>	
Current year campaign contributions released from restrictions	100,031	
Unrestricted noncampaign contributions and grants	2,403,859	
Federal grants	<u>734,892</u>	
<b>Total public support</b>	<b>21,156,185</b>	
Investment income	242,446	
Rental loss	(34,048)	
Net sponsored activity	(247,646)	
Miscellaneous income	<u>19,181</u>	
<b>Total public support and revenue</b>	<b>21,136,118</b>	
Distributions, program and supporting services:		
Program services	18,195,946	
Management and general	1,180,732	
Resource development/fundraising	<u>2,089,691</u>	
<b>Total distributions, program and supporting services</b>	<b>21,466,369</b>	
<b>Deficit of public support and revenue over total distributions, program and supporting services</b>	<b>\$ (330,251)</b>	
Distributions and services/public support and revenue ratio:		
Total distributions and program services	<u>\$ 18,195,946</u>	86.1%
Total public support and revenue	<u>21,136,118</u>	

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 2022's United Way of Dane County campaign. This statement does not include in-kind contributions of \$209,872 and the activity of the United Way of Dane County Foundation.