UNITED WAY OF GREATER MILWAUKEE & WAUKESHA COUNTY, INC.

Milwaukee, Wisconsin

FINANCIAL STATEMENTS

June 30, 2019 and 2018

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CLA (CliftonLarsonAllen LLP)
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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of United Way of Greater Milwaukee & Waukesha County, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2019 and 2018, and the related statements of activities, cash flows, and functional expenses 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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.

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 & Waukesha County, Inc., as of June 30, 2019 and 2018, 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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Milwaukee, Wisconsin
November 12, 2019

UNITED WAY OF GREATER MILWAUKEE AND WAUKESHA COUNTY, INC.
STATEMENTS OF FINANCIAL POSITION
June 30, 2019 and 2018

	2019	2018
ASSETS		
Current assets:		
Cash and cash equivalents	$ 5,128,576	$ 5,139,761
Investments	12,350,745	13,273,677
Pledges receivable - net	12,176,867	13,223,443
Prepaid expenses and other	553,313	708,445
Total current assets	30,209,501	32,345,326
Pledges receivable, less current portion	187,660	279,575
Investments - Endowment fund	4,923,607	4,637,087
Investments - Other	-	400,000
Long-Term Receivable	400,000	-
457(b) plan participant assets	47,197	131,984
Beneficial Interest in Endowment held by others	208,166	210,479
Land, building, and equipment - net	2,119,836	1,929,056
Total assets	$ 38,095,967	$ 39,933,507
LIABILITIES AND NET ASSETS		
Current liabilities:		
Donor designations payable	$ 4,364,058	$ 3,906,177
Amounts payable under fiscal agent responsibilities	2,438,771	2,090,228
Other amounts payable	561,514	886,622
Accrued expenses and other current liabilities	269,832	253,048
457(b) plan participant liability	47,197	131,984
Total current liabilities	7,681,372	7,268,059
Net assets:		
Without donor restrictions:		
Undesignated	137,913	497,030
Investment in land, building, and equipment	2,119,836	1,929,056
Board designated for programs and initiative funding	21,106,244	23,516,838
Board designated endowment fund	2,027,460	1,908,096
Waukesha Property Endowment	316,882	258,554
Board designated for capital improvements	268,627	439,439
Total Without donor restrictions	25,976,962	28,549,013
With donor restrictions	4,437,633	4,116,435
Total net assets	30,414,595	32,665,448
Total liabilities and net assets	$ 38,095,967	$ 39,933,507

The accompanying notes are an integral part of the financial statements.

UNITED WAY OF GREATER MILWAUKEE AND WAUKESHA COUNTY, INC.
STATEMENTS OF ACTIVITIES
Years Ended June 30, 2019 and 2018

	2019			2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND REVENUE						
Campaign revenue:						
Gross campaign results	$ 50,983,313	$ 3,127,680	$ 54,110,993	$ 51,012,976	$ 2,655,380	$ 53,668,356
Less: Donor designated funds	(21,805,253)	(1,460,697)	(23,265,950)	(18,335,696)	(465,665)	(18,801,361)
Net campaign results	29,178,060	1,666,983	30,845,043	32,677,280	2,189,715	34,866,995
Less: Provision for uncollectible pledges	(988,190)	(89,268)	(1,077,458)	(903,419)	(23,206)	(926,625)
Net campaign revenue	28,189,870	1,577,715	29,767,585	31,773,861	2,166,509	33,940,370
Contributions received in prior period now released from restriction	509,835	(509,835)	-	1,976,783	(1,976,783)	-
Service fees - Campaign	501,214	-	501,214	479,214	-	479,214
Other Contributions, Memorials and bequests	153,762	99,308	253,070	195,988	4,250	200,238
Sponsorship of United Way events and activities	840,819	-	840,819	831,002	-	831,002
Total campaign revenue	30,195,500	1,167,188	31,362,688	35,256,848	193,976	35,450,824
Non-campaign revenue:						
Dividends and interest income	299,613	53,708	353,321	234,436	41,908	276,344
Net realized and unrealized gains (losses) on investments	599,001	108,222	707,223	688,926	153,622	842,548
Rental income	-	-	-	148,600	-	148,600
Grants	1,302,209	-	1,302,209	1,308,496	-	1,308,496
Other income	42,466	-	42,466	164,487	-	164,487
Release from restrictions	1,007,920	(1,007,920)	-	902,538	(902,538)	-
Total non-campaign revenue	3,251,209	(845,990)	2,405,219	3,447,483	(707,008)	2,740,475
Total public support and revenue	33,446,709	321,198	33,767,907	38,704,331	(513,032)	38,191,299
EXPENSES						
Program services:						
Gross program investments	47,047,702	1,460,697	48,508,399	44,521,602	465,665	44,987,267
Less: Donor designated funds	(21,805,253)	(1,460,697)	(23,265,950)	(18,335,696)	(465,665)	(18,801,361)
Net program investments	25,242,449	-	25,242,449	26,185,906	-	26,185,906
Community impact	1,931,268	-	1,931,268	1,968,690	-	1,968,690
Volunteer Engagement	1,068,248	-	1,068,248	876,429	-	876,429
Grants	819,452	-	819,452	925,934	-	925,934
Total program services	29,061,417	-	29,061,417	29,956,959	-	29,956,959
Supporting services:						
Fund raising	4,552,174	-	4,552,174	4,693,098	-	4,693,098
Management and general	2,405,169	-	2,405,169	2,043,052	-	2,043,052
Total supporting services	6,957,343	-	6,957,343	6,736,150	-	6,736,150
Total expenses	36,018,760	-	36,018,760	36,693,109	-	36,693,109
Change in net assets	(2,572,051)	321,198	(2,250,853)	2,011,222	(513,032)	1,498,190
Net assets at beginning of year	28,549,013	4,116,435	32,665,448	26,537,791	4,629,467	31,167,258
Net assets at end of year	$ 25,976,962	$ 4,437,633	$ 30,414,595	$ 28,549,013	$ 4,116,435	$ 32,665,448

The accompanying notes are an integral part of the financial statements.

UNITED WAY OF GREATER MILWAUKEE AND WAUKESHA COUNTY, INC.
STATEMENTS OF CASH FLOWS
Years Ended June 30, 2019 and 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets:	$ (2,250,853)	$ 1,498,190
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	269,051	195,056
Net (gain) loss on investment securities	(611,388)	(894,441)
Provision for uncollectible pledges	(43,950)	(213,247)
Gain in sale of building	-	(148,949)
Changes in operating assets and liabilities:		
Net pledges receivable	1,182,441	2,287,696
Prepaid expenses and other assets	155,132	(51,819)
Donor designations payable	457,881	(3,362,464)
Amounts payable under fiscal agent responsibilities	348,543	(397,893)
Other amounts payable	(325,108)	270,686
Accrued expenses and other liabilities	(68,003)	66,261
Net cash used in operating activities	(886,254)	(750,924)
CASH FLOWS FROM INVESTING ACTIVITIES		
Reinvestment of dividends from investment securities	(353,321)	(276,344)
Purchase of investment securities	(930,360)	(300,995)
Redemption of investment securities	2,618,581	4,728,071
Sale of building and retirement of equipment	-	257,995
Building improvement and purchases of equipment	(459,831)	(1,171,415)
Net cash provided by investing activities	875,069	3,237,312
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(11,185)	2,486,388
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	5,139,761	2,653,373
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 5,128,576	$ 5,139,761
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for interest during the year	$ 2,764	$ 464

The accompanying notes are an integral part of the financial statements.

UNITED WAY OF GREATER MILWAUKEE, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
Years Ended June 30, 2019 and 2018

2019

	Program Services				Support Services		
	Community Impact	**Volunteer Engagement**	**Grants**	**Total**	**Fund Raising**	**Management and General**	**Total**
Gross program investments	$ 47,684,775	$ -	$ 823,624	$ 48,508,399	$ -	$ -	$ 48,508,399
Less: Donor designated funds	(23,265,950)	-	-	(23,265,950)	-	-	(23,265,950)
Net program investments	24,418,825	-	823,624	25,242,449	-	-	25,242,449
Salaries	1,194,861	482,806	409,542	2,087,209	2,335,781	1,373,704	5,796,694
Employee health and retirement benefits	248,767	106,620	110,226	465,613	521,330	336,130	1,323,073
Payroll taxes	87,155	35,091	29,745	151,991	171,506	85,363	408,860
Total personnel expenses	1,530,783	624,517	549,513	2,704,813	3,028,617	1,795,197	7,528,627
Professional fees and outside services	49,290	27,858	185,856	263,004	163,339	215,717	642,060
In-Kind Gifts-Advertising	-	-	-	-	150,318	-	150,318
Supplies	8,118	13,611	642	22,371	16,371	22,343	61,085
Telephone	5,436	3,943	878	10,257	15,986	6,352	32,595
Postage and shipping	866	276	-	1,142	14,275	12,506	27,923
Occupancy	43,008	59,908	-	102,916	89,937	55,542	248,395
Equipment/software Maintenance & Purchases	77,967	37,197	2,797	117,961	225,260	51,592	394,813
Printing, publications and media	10,045	23,843	17,125	51,013	248,278	1,444	300,735
Travel	6,696	8,535	1,443	16,674	22,960	3,226	42,860
Campaign/program events, meetings, and training	26,014	173,849	60,848	260,711	114,255	22,322	397,288
Membership dues	3,635	1,005	350	4,990	4,692	7,948	17,630
United Way expenses	-	-	-	-	78,658	-	78,658
United Way of America dues	102,464	56,676	-	159,140	229,368	127,606	516,114
United Way of Wisconsin dues	12,983	7,181	-	20,164	29,062	16,169	65,395
Depreciation expense	53,414	29,545	-	82,959	119,570	66,522	269,051
Interest expense	549	304	-	853	1,228	683	2,764
Total non-personnel expenses	400,485	443,731	269,939	1,114,155	1,523,557	609,972	3,247,684
Total personnel and non-personnel expenses	1,931,268	1,068,248	819,452	3,818,968	4,552,174	2,405,169	10,776,311
Total functional expenses	$ 26,350,093	$ 1,068,248	$ 1,643,076	$ 29,061,417	$ 4,552,174	$ 2,405,169	$ 36,018,760

2018

	Program Services				Support Services		
	Community Impact	**Volunteer Engagement**	**Grant**	**Total**	**Fund Raising**	**Management and General**	**Total**
Gross program investments	$ 44,383,825	$ -	$ 603,442	$ 44,987,267	$ -	$ -	$ 44,987,267
Less: Donor designated funds	(18,801,361)	-	-	(18,801,361)	-	-	(18,801,361)
Net program investments	25,582,464	-	603,442	26,185,906	-	-	26,185,906
Salaries	1,197,366	434,998	486,771	2,119,135	2,486,856	1,234,635	5,840,626
Employee health and retirement benefits	264,760	96,489	140,991	502,240	559,085	311,070	1,372,395
Payroll taxes	88,540	31,727	33,744	154,011	186,425	81,604	422,040
Total personnel expenses	1,550,666	563,214	661,506	2,775,386	3,232,366	1,627,309	7,635,061
Professional fees and outside services	58,225	34,358	169,725	262,308	210,671	96,028	569,007
In-Kind Gifts-Advertising	21,780	-	-	21,780	183,278	-	205,058
Supplies	6,856	57,699	14,732	79,287	15,223	20,948	115,458
Telephone	6,193	4,895	1,308	12,396	18,840	6,102	37,338
Postage and shipping	1,129	1,482	5	2,616	17,789	13,650	34,055
Occupancy	45,542	16,928	-	62,470	91,878	51,156	205,504
Equipment/software Maintenance & Purchases	50,891	40,990	1,793	93,674	74,062	26,436	194,172
Printing, publications and media	41,891	37,747	31,078	110,716	270,337	4,138	385,191
Travel	5,430	5,792	1,692	12,914	23,291	1,785	37,990
Campaign/program events, meetings, and training	16,392	39,639	44,015	100,046	113,735	19,617	233,398
Membership dues	2,660	1,193	80	3,933	3,663	6,896	14,492
United Way expenses	-	-	-	-	70,800	-	70,800
United Way of America dues	107,500	48,392	-	155,892	245,103	112,808	513,803
United Way of Wisconsin dues	12,628	5,685	-	18,313	28,792	13,251	60,356
Depreciation expense	40,810	18,371	-	59,181	93,049	42,826	195,056
Interest expense	97	44	-	141	221	102	464
Total non-personnel expenses	418,024	313,215	264,428	995,667	1,460,732	415,743	2,872,142
Total personnel and non-personnel expenses	1,968,690	876,429	925,934	3,771,053	4,693,098	2,043,052	10,507,203
Total functional expenses	$ 27,551,154	$ 876,429	$ 1,529,376	$ 29,956,959	$ 4,693,098	$ 2,043,052	$ 36,693,109

The accompanying notes are an integral part of these statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Mission Statement

United Way of Greater Milwaukee & 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, Income, 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 2018 campaign will fund allocations to strategic initiatives and programs operated by member agencies for the fiscal year beginning July 1, 2019. 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, 2019. 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, 2019. For example, distribution of designated pledges for the autumn 2018 campaign actually begins during the fourth quarter of 2018 and continues into the 2019 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 non-member 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 non-member agencies receive donor designations and can use these dollars for whatever purpose they desire. Non-member 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 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:

NOTE 1 - 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments - Other

United Way Worldwide (UWW) and several Local United Way's (LUW) from around the country created a limited liability company, United Way Digital Holdings, LLC (the "LLC"). The purpose of which was to design, develop and operate a digital philanthropic employee engagement platform. The minimum investment for each LUW was $400,000 which comprised a 50% interest in the LLC. UWW owned the remaining 50%. Once the digital platform was developed and deployed the LLC would sell subscriptions to other United Ways around the world to use the platform in their respective United Way's annual campaigns.

The investment in the LLC was accounted for using the cost method of accounting and was not valued at fair value. As such United Way impairs investments when it is determined that there has been an "other than temporary" decline in the estimated fair value as compared to the carrying value of the LLC. There was no impairment change for fiscal 2018 as it was not practicable to estimate the fair value of the investments since operations of the LLC had not yet commenced. In December 2018, UWW and the other member LUWs decided that UWW would take on the sole responsibility to sell subscriptions to other United Ways around the world. This resolution was made in response to the decision of the contracted software vendor to develop the digital platform themselves and sell bulk subscriptions to UWW. These in turn would be resold to other United Ways. UWW will be returning United Way's $400,000 investment in the LLC. See Note 5 for terms of a promissory note repayment of the $400,000.

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, 2019 and 2018 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Provision for Uncollectible Pledges (Continued)

- 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.

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 unrestricted revenue. 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 2019 and 2018 were $302,664 and $242,559, respectively. The value of advertising has been reflected as fundraising services in the statements of activities. The total amounts recorded in 2019 and 2018 were $166,514 and $205,058, 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.

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 accounting principles generally accepted in the United States of America 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. The Organization determined that it was not required to record a liability related to uncertain tax positions at June 30, 2019 and 2018.

Change in Accounting Principle

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14 *"Presentation of Financial Statements of Not-for-Profit Entities*" (Topic 958). The ASU amends the current reporting model for nonprofit organizations and enhances their required disclosures. The major changes include:

a) requiring the presentation of only two classes of net assets now entitled "net assets without donor restrictions" and "net assets with donor restrictions"
b) modifying the presentation of underwater endowment funds and related disclosures
c) requiring the use of the placed in service approach to recognize the expirations of restrictions on gifts used to acquire or construct long-lived assets absent explicit donor stipulations otherwise
d) requiring all nonprofits to present an analysis of expenses by function and nature in either the statement of activities, a separate statement or in the notes and disclose a summary of the allocation methods use to allocate costs
e) requiring the disclosure of quantitative and qualitative information regarding liquidity and availability of resources

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Change in Accounting Principle (Continued)

f) presenting investment return net of external and direct internal investment expenses
g) modifying other financial statement reporting requirements and disclosures intended to increase the usefulness of nonprofit financial statements
h) removing the requirement that nonprofits that choose to prepare the statements of cash flows using the direct method must also present a reconciliation (the indirect method)

United Way has adopted this ASU in the current year, the earliest effective date in accordance with the ASU, which been applied retrospectively to all periods presented.

Reclassifications

Certain reclassifications have been made to the 2018 financial statement presentation to correspond to the current year's format.

NOTE 2 - INVESTMENTS

Investments, stated at fair value, at June 30, 2019 and 2018, are summarized as follows:

	2019		2018	
	Fair Value	Percent of Total	Fair Value	Percent of Total
Operating:				
Equity securities	$ 5,227,219	42.3%	$ 5,804,372	43.7%
Fixed income	5,251,850	42.5%	4,263,630	32.1%
Limited partnership	1,871,676	15.2%	3,205,675	24.2%
Total	$ 12,350,745	100.0%	$ 13,273,677	100.0%
Endowment:				
Equity securities	$ 2,827,694	57.5%	$ 2,746,617	59.2%
Fixed income	1,430,165	29.0%	1,242,247	26.8%
Limited partnership	665,748	13.5%	648,223	14.0%
Total	$ 4,923,607	100.0%	$ 4,637,087	100.0%
Total investments:				
Equity securities	$ 8,054,913	46.6%	$ 8,550,989	47.8%
Fixed income	6,682,015	38.7%	5,505,877	30.7%
Limited partnership	2,537,424	14.7%	3,853,898	21.5%
Total	$ 17,274,352	100.0%	$ 17,910,764	100.0%

NOTE 2 - INVESTMENTS (continued)

The components of United Way's investment income for the fiscal years ended June 30, 2019 and 2018 are as follows:

	2019		2018	
	Dividend and Interest Income, Net	Realized and Unrealized Gains	Dividend and Interest Income, Net	Realized and Unrealized Gains
Operating	$ 265,689	$ 517,005	$ 203,465	$ 599,003
Endowment	95,935	191,871	73,485	221,446
Total	$ 361,624	$ 708,876	$ 276,949	$ 820,449

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 generally accepted accounting principles 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.

NOTE 3 - FAIR VALUE MEASUREMENTS (continued)

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.

Following is a description of the valuation methodologies used at June 30, 2019 and 2018 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).

Certificates of Deposit: Valued based on fair value by discounting the related cash flows based on current yields of similar instruments with comparable durations considering the credit worthiness of the issuer.

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.

NOTE 3 - FAIR VALUE MEASUREMENTS (continued)

Information regarding assets measured at fair value on a recurring basis as of June 30, 2019 is as follows:

2019	Level 1	Level 2	Level 3	Total
Mutual funds				
Money market	$ 272,704	$ -	$ -	$ 272,704
Small cap value	861,604	-	-	861,604
All cap core	4,484,742	-	-	4,484,742
International	2,435,864	-	-	2,435,864
Fixed income	5,380,592	-	-	5,380,592
Senior secured loans	1,301,422	-	-	1,301,422
Limited partnership	-	-	1,501,058	1,501,058
Total investments	$ 14,736,928	$ -	$ 1,501,058	16,237,986
Investments valued at net asset value				1,036,366
Total assets at fair value				$ 17,274,352

Information regarding assets measured at fair value on a recurring basis as of June 30, 2018 is as follows:

2018	Level 1	Level 2	Level 3	Total
Mutual funds				
Money market	$ 358,352	$ -	$ -	$ 358,352
Small cap value	885,329	-	-	885,329
All cap core	4,934,061	-	-	4,934,061
International	2,373,246	-	-	2,373,246
Fixed income	4,265,473	-	-	4,265,473
Senior secured loans	1,240,405	-	-	1,240,405
Limited partnership	-	-	1,479,144	1,479,144
Total investments	$ 14,056,866	$ -	$ 1,479,144	15,536,010
Investments valued at net asset value				2,374,754
Total assets at fair value				$ 17,910,764

NOTE 3 - FAIR VALUE MEASUREMENTS (continued)

The following table sets forth a summary of changes in the fair value of the United Way's Level 3 assets for the year ended June 30:

	2019	2018
Balance, beginning of year	$ 1,479,144	$ 1,408,133
Sales	(45,696)	-
Dividend and Interest Income	-	-
Realized and Unrealized Gains	67,610	71,011
Balance, end of year	$ 1,501,058	$ 1,479,144

NOTE 4 - PLEDGES RECEIVABLE

Net pledges receivable consisted of the following as of June 30, 2019 and 2018:

	2019	2018
Less than one-year	$ 13,661,740	$ 14,752,266
One to five years	200,000	300,000
Gross pledges receivable	13,861,740	15,052,266
Less:		
Unamortized discount	12,340	20,425
Allowance for uncollectible amounts	1,484,873	1,528,823
Pledges receivable - net	12,364,527	13,503,018
Less - Current portion	12,176,867	13,223,443
Pledges receivable, less current portion	$ 187,660	$ 279,575

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%.

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. The principal balance shall be paid in four equal installments of $100,000 from December 1, 2020 through December 1, 2023.

NOTE 6 - LAND, BUILDING, AND EQUIPMENT

Land, building, and equipment consisted of the following as of June 30, 2019 and 2018:

	2019	2018
Land	$ 100,235	$ 100,235
Building and improvements	3,874,174	2,561,066
Furniture, fixtures and equipment	1,179,555	972,183
Other capital assets	79,708	76,016
Construction in progress	-	1,147,343
	5,233,672	4,856,843
Less: accumulated depreciation	(3,113,836)	(2,927,787)
Total	$ 2,119,836	$ 1,929,056

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 in January 2020. Interest is accrued on the unpaid principal balance at LIBOR plus 175 basis points (4.15% and 3.25% at June 30, 2019 and 2018, respectively). As of June 30, 2019 and 2018, United Way had no balance outstanding under the line of credit.

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 $162,322 and $160,975 in 2019 and 2018, 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 $317,321 and $347,986 in 2019 and 2018, 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 Internal Revenue Code. 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, 2019 is as follows:

	Level 1	Level 2	Level 3	Total
Mutual Funds	$ 21,687	$ -	$ -	$ 21,687
Guaranteed Interest Rate Contract	-		25,510	25,510
	$ 21,687	$ -	$ 25,510	$ 47,197

Information regarding assets measured at fair value on a recurring basis as of June 30, 2018 is as follows:

	Level 1	Level 2	Level 3	Total
Mutual Funds	$ 93,529	$ -	$ -	$ 93,529
Guaranteed Interest Rate Contract	-		38,455	38,455
	$ 93,529	$ -	$ 38,455	$ 131,984

NOTE 8 - THRIFT AND DEFERRED COMPENSATION PLANS (continued)

The following table represents a reconciliation for Level 3 investments measured at fair value for the year ended June 30, 2019:

	2019	2018
Balance, beginning of year	$ 38,455	$ 28,164
Employee distributions	(38,455)	-
Employee contributions	401	10,000
Transfers	25,000	-
Investment returns	109	291
Balance, end of year	$ 25,510	$ 38,455

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.

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.

NOTE 10 – NET ASSETS WITH DONOR RESTRICTIONS

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

	2019	2018
Subject to the passage of time:		
2018 Campaign Revenue	$ -	$ 672,172
2019 Campaign Revenue	725,469	-
Total	725,469	672,172
Subject to expenditure for specified purpose or period:		
Restricted Grants	848,160	632,350
Volunteer Center	-	5,625
	848,160	637,975
Endowments subject to United Way's spending policy and/or appropriation, including amounts held in perpetuity of $1,303,330 in 2019 and $1,223,756 in 2018, which are available to support:		
Community Emergencies	265,612	244,181
Community Impact Priorities	175,298	271,598
For Minority or Neglected Children Programs	176,615	172,871
General Annual Campaign Gift	169,324	118,237
Healthy Girls Program	57,867	22,273
Future Use	1,811,122	1,766,649
	2,655,838	2,595,809
Beneficial interest in endowment held by others subject to United Way's spending policy and appropriation		
Investment which once appropriated, is expendable to support:		
General Annual Campaign Gift	37,892	38,179
Future Use	170,274	172,300
	208,166	210,479
Total Endowments	2,864,004	2,806,288
	$4,437,633	$4,116,435

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.

NOTE 10 - NET ASSETS WITH DONOR RESTRICTIONS (continued)

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.

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.

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, 2019 and 2018.

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.

NOTE 11 - ENDOWMENTS (continued)

Endowment net assets consisted of the following at June 30, 2019 and 2018:

	2019			2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Board designated endowment	$ 2,027,460	$ -	$ 2,027,460	$ 1,908,096	$ -	$ 1,908,096
Waukesha property endowment	316,882	-	316,882	258,554	-	258,554
Original donor restricted gift amount required to be maintained in perpetuity by donor	-	1,303,330	1,303,330	-	1,223,756	1,223,756
Accumulated growth of perpetual gifts subject to appropriation for a specific purpose	-	166,694	166,694	-	155,842	155,842
Accumulated growth of perpetual gifts subject to appropriation for future use	-	744,904	744,904	-	700,432	700,432
Subject to spending policy:						
Restricted for a specific purpose	-	478,802	478,802	-	553,958	553,958
Future use	-	170,274	170,274	-	172,300	172,300
Total	$ 2,344,342	$ 2,864,004	$ 5,208,346	$ 2,166,650	$ 2,806,288	$ 4,972,938

Changes in endowment net assets were as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets at June 30, 2017	$ 1,629,191	$ 3,353,219	$4,982,410
Activity in fiscal year June 30, 2017			
Addition to endowments	422,983	660,550	1,083,533
Investment return:			
Interest and dividends	29,494	41,908	71,402
Net appreciation	84,982	153,622	238,604
Endowment expenditures/distributions	-	(1,403,011)	(1,403,011)
Endowment net assets at June 30, 2018	2,166,650	2,806,288	4,972,938
Activity in fiscal year June 30, 2018			
Addition to endowments	153,762	99,308	253,070
Investment return:			
Interest and dividends	47,853	53,708	101,561
Net appreciation	93,002	108,222	201,224
Endowment expenditures/distributions	(116,925)	(203,522)	(320,447)
Endowment net assets at June 30, 2019	$ 2,344,342	$ 2,864,004	$5,208,346

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.

The following table reflects United Way's financial assets as of June 30, 2019 and 2018, 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).

	2019	2018
Financial assets at year end:		
Cash and cash equivelents	$ 5,128,576	$ 5,139,761
Investments	12,350,745	13,273,677
Pledges receivable - net	12,176,867	13,223,443
	29,656,188	31,636,881
Less amounts not available to be used within one year:		
Donor restricted grants	(848,160)	(632,350)
Board designated for program and initiative funding	(21,106,244)	(23,516,838)
Board designated for for capital improvements	(268,627)	(439,439)
Financial assets available to meet cash needs for general expenditures within one year	$ 7,433,157	$ 7,048,254

NOTE 13 - NET PROGRAM INVESTMENTS

United Way's mission is to improve lives by mobilizing community recourses. 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, 2019 and 2018:

	2019	2018
United Way investment strategies:		
Income	$ 4,042,786	$ 4,232,170
Health	11,583,232	12,427,220
Education	8,473,947	8,680,251
Sub-recipients	823,624	603,442
Gift-in-Kind	318,860	242,823
Net program investments	$ 25,242,449	$ 26,185,906

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 2019 and 2018, United Way expended $461,428 and $403,989, respectively, on the program, of which $423,186 and $365,908, 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.

NOTE 14 - GRANTS AND PROGRAMS (continued)

Milwaukee Community Schools Partnership (Continued)

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 & emotional learning, health & wellness, family & community engagement, and a safe and supportive climate.

This program is funded by a grant from the Milwaukee Pubic Schools, contributions from local area businesses and by an allocation from United Way. During fiscal 2019 and 2018, United Way expended $894,684 and $605,239, respectively, on the program, of which $400,438 and $213,817, respectively, was expended by United Way's sub-recipients under the program.

Lifecourse Initiative for Healthy Families

The Milwaukee Lifecourse Initiative for Healthy Families (LIHF) is a local collaborative focused on improving birth outcomes among African-American families in Milwaukee. United Way has convened leaders from the affected communities, business, nonprofit, faith community, and public sectors to address the issue. Milwaukee LIHF's primary focus is to prevent the leading cause of infant deaths: Complications of prematurity.

This program is funded by a grant from the Wisconsin Partnership Program of the University of Wisconsin. During fiscal 2019 and 2018, United Way expended $190,351 and $288,910, respectively, on the program. The grant ended on June 30, 2019.

NOTE 15 - 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.

NOTE 16 - 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 17 - SUBSEQUENT EVENTS

Management evaluated subsequent events through November 12, 2019 the date the financial statements were available to be issued. Events or transactions occurring after June 30, 2019, but prior to November 12, 2019 that provide additional evidence about conditions that existed at June 30, 2019, have been recognized in the financial statements for the year ended June 30, 2019. Events or transactions that provided evidence about conditions that did not exist at June 30, 2019 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, 2019.