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

FINANCIAL STATEMENTS
June 30, 2016 and 2015

TABLE OF CONTENTS

	PAGE
INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
Statements of Financial Position	3
Statements of Activities	4
Statements of Cash Flows	5
Statements of Functional Expenses	6
Notes to Financial Statements	7
SUPPLEMENTARY INFORMATION	27
Operating Expense Ratio Calculation	28

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

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, 2016 and 2015, 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, 2016 and 2015, 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.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The operating expense ratio calculation is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Milwaukee, Wisconsin
November 14, 2016

UNITED WAY OF GREATER MILWAUKEE AND WAUKESHA COUNTY, INC.
STATEMENTS OF FINANCIAL POSITION
June 30, 2016 and 2015

	2016	2015
ASSETS		
Current assets:		
Cash and cash equivalents	$ 5,354,691	$ 5,073,335
Investments	11,960,274	11,924,052
Pledges receivable - net	16,398,563	17,502,507
Prepaid expenses and other	526,958	330,398
Total current assets	34,240,486	34,830,292
Pledges receivable, less current portion	519,201	803,985
Investments - Endowment fund	4,103,954	4,384,337
457(b) plan participant assets	33,913	-
Beneficial Interest in Endowment held by others	193,240	198,193
Land, building, and equipment - net	1,240,244	1,342,016
Total assets	$ 40,331,038	$ 41,558,823
LIABILITIES AND NET ASSETS		
Current liabilities:		
Donor designations payable	$ 4,251,215	$ 3,849,698
Amounts payable under fiscal agent responsibilities	4,434,207	3,759,566
Other amounts payable	420,335	252,507
Accrued expenses and other current liabilities	469,075	140,896
457(b) plan participant liability	33,913	-
Total current liabilities	9,608,745	8,002,667
Net assets:		
Unrestricted:		
Undesignated	(1,729,113)	(1,229,127)
Investment in land, building, and equipment	1,240,244	1,342,016
Accumulated net growth in permanently restricted net assets	533,468	625,075
Board designated for allocations to agencies and partners	24,787,620	26,699,664
Board designated endowment fund	1,388,925	1,303,149
Waukesha Community Impact fund	41,206	123,690
Board designated for capital improvements	257,503	183,639
Total unrestricted	26,519,853	29,048,106
Temporarily restricted	3,005,158	3,310,768
Permanently restricted net assets	1,197,282	1,197,282
Total net assets	30,722,293	33,556,156
Total liabilities and net assets	$ 40,331,038	$ 41,558,823

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, 2016 and 2015

	2016				2015			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
PUBLIC SUPPORT AND REVENUE								
Campaign revenue:								
Gross campaign results	$ 56,744,796	$ 2,151,879	$ -	$ 58,896,675	$ 52,716,501	$ 1,936,869	$ -	$ 54,653,370
Less: Donor designated funds	(22,390,593)	(758,684)	-	(23,149,277)	(21,209,153)	(392,456)	-	(21,601,609)
Net campaign results	34,354,203	1,393,195	-	35,747,398	31,507,348	1,544,413	-	33,051,761
Less: Provision for uncollectible pledges	(972,283)	(60,160)	-	(1,032,443)	(936,280)	(51,745)	-	(988,025)
Net campaign revenue	33,381,920	1,333,035	-	34,714,955	30,571,068	1,492,668	-	32,063,736
Contributions received in prior period now released from restriction	1,262,238	(1,262,238)	-	-	1,025,409	(1,025,409)	-	-
Service fees - Campaign	515,241	-	-	515,241	607,174	-	-	607,174
Memorials and bequests	85,239	26,000	-	111,239	82,193	33,000	18,064	133,257
Sponsorship of United Way events and activities	747,255	-	-	747,255	605,006	-	-	605,006
Total campaign revenue	35,991,893	96,797	-	36,088,690	32,890,850	500,259	18,064	33,409,173
Non-campaign revenue:								
Dividends and interest income	192,369	14,736	-	207,105	254,085	21,359	-	275,444
Net realized and unrealized gains (losses) on investments	(158,681)	(15,493)	-	(174,174)	171,787	11,345	-	183,132
Transfer to unrestricted for disbursement of temporarily restricted funds	8,400	(8,400)	-	-	211,992	(211,992)	-	-
Transfer to restricted funds of unrestricted funds	(103,400)	103,400		-	(192,270)	192,270		-
Rental income	73,865	-	-	73,865	73,849	-	-	73,849
Grants	469,027	-	-	469,027	284,988	(5,000)	-	279,988
Other income	4,858	-	-	4,858	3,338	-	-	3,338
Release from restrictions	496,650	(496,650)	-	-	-	-	-	-
Total non-campaign revenue	983,088	(402,407)	-	580,681	807,769	7,982	-	815,751
Total public support and revenue	36,974,981	(305,610)	-	36,669,371	33,698,619	508,241	18,064	34,224,924
EXPENSES								
Program services:								
Gross program investments	51,257,672	758,684	-	52,016,356	44,375,626	392,456	-	44,768,082
Less: Donor designated funds	(22,390,593)	(758,684)	-	(23,149,277)	(21,209,153)	(392,456)	-	(21,601,609)
Net program investments	28,867,079	-	-	28,867,079	23,166,473	-	-	23,166,473
Community impact	2,108,247	-	-	2,108,247	1,873,643	-	-	1,873,643
Volunteer Engagement	622,185	-	-	622,185	304,953	-	-	304,953
Grants	613,355	-	-	613,355	292,916	-	-	292,916
Total program services	32,210,866	-	-	32,210,866	25,637,985	-	-	25,637,985
Supporting services:								
Fund raising	5,472,570	-	-	5,472,570	4,900,281	-	-	4,900,281
Management and general	1,819,798	-	-	1,819,798	1,622,389	-	-	1,622,389
Total supporting services	7,292,368	-	-	7,292,368	6,522,670	-	-	6,522,670
Total expenses	39,503,234	-	-	39,503,234	32,160,655	-	-	32,160,655
Change in net assets	(2,528,253)	(305,610)	-	(2,833,863)	1,537,964	508,241	18,064	2,064,269
Net assets at beginning of year	29,048,106	3,310,768	1,197,282	33,556,156	25,409,614	2,566,871	1,179,218	29,155,703
Net assets at February 1, 2015 of merged entity	-	-	-	-	2,100,528	235,656	-	2,336,184
Net assets at end of year	$ 26,519,853	$ 3,005,158	$ 1,197,282	$ 30,722,293	$ 29,048,106	$ 3,310,768	$ 1,197,282	$ 33,556,156

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, 2016 and 2015

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets:	$ (2,833,863)	$ 2,064,269
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	223,441	168,638
Net (loss) gain on investment securities	(174,174)	183,133
Provision for uncollectible pledges	(31,241)	988,025
Changes in operating assets and liabilities:		
Net pledges receivable	1,419,969	(1,252,922)
Prepaid expenses and other assets	(230,473)	196,108
Donor designations payable	401,517	(3,405,986)
Amounts payable under fiscal agent responsibilities	674,641	12,448
Other amounts payable	167,828	45,893
Accrued expenses and other liabilities	362,092	(55,289)
Net cash used in operating activities	(20,263)	(1,055,683)
CASH FLOWS FROM INVESTING ACTIVITIES		
Reinvestment of dividends from investment securities	(207,105)	(275,444)
Redemption (purchase) of investment securities	630,393	(151,338)
Purchases of equipment	(121,669)	(227,135)
Cash received from United Way in Waukesha County, Inc.	-	1,982,515
Net cash provided by investing activities	301,619	1,328,598
INCREASE IN CASH AND CASH EQUIVALENTS	281,356	272,915
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	5,073,335	4,800,420
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 5,354,691	$ 5,073,335
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for interest during the year	$ -	$ 741

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, 2016 and 2015

2016

	Program Services				Support Services		
	Community Impact	Volunteer Engagement	Grants	Total	Fund Raising	Management and General	Total
Gross program investments	$ 52,016,356	$ -	$ -	$ 52,016,356	$ -	$ -	$ 52,016,356
Less: Donor designated funds	(23,149,277)	-	-	(23,149,277)	-	-	(23,149,277)
Net program investments	28,867,079	-	-	28,867,079	-	-	28,867,079
Salaries	1,198,919	343,900	346,944	1,889,763	2,384,804	1,007,538	5,282,105
Employee health and retirement benefits	350,298	97,878	85,839	534,015	757,045	388,095	1,679,155
Payroll taxes	85,659	25,708	24,426	135,793	173,976	67,454	377,223
Total personnel expenses	1,634,876	467,486	457,209	2,559,571	3,315,825	1,463,087	7,338,483
Professional fees and outside services	72,240	14,958	126,117	213,315	198,474	73,077	484,866
In-Kind Gifts-Advertising	-	-	-	-	667,830	-	667,830
Supplies	8,517	1,741	1,189	11,447	13,956	16,866	42,269
Telephone	10,589	3,416	1,771	15,776	21,586	7,399	44,761
Postage and shipping	1,461	357	12	1,830	16,534	14,616	32,980
Occupancy	58,557	9,673	-	68,230	83,932	32,966	185,128
Equipment/software Maintenance & Purchases	47,798	29,150	3,545	80,493	75,785	17,450	173,728
Printing, publications and media	41,372	18,020	725	60,117	423,347	10,539	494,003
Travel	7,345	6,532	2,291	16,168	27,266	1,875	45,309
Campaign/program events, meetings, and training	43,122	16,392	20,496	80,010	145,839	20,809	246,658
Membership dues	3,608	1,703	-	5,311	5,669	6,811	17,791
United eWay expenses	-	-	-	-	75,531	-	75,531
United Way of America dues	114,349	33,747	-	148,096	256,507	98,704	503,307
United Way of Wisconsin dues	13,648	4,028	-	17,676	30,614	11,780	60,070
Depreciation expense	50,765	14,982	-	65,747	113,875	43,819	223,441
Interest expense	-	-	-	-	-	-	-
Total non-personnel expenses	473,371	154,699	156,146	784,216	2,156,745	356,711	3,297,672
Total personnel and non-personnel expenses	2,108,247	622,185	613,355	3,343,787	5,472,570	1,819,798	10,636,155
Total functional expenses	$ 30,975,326	$ 622,185	$ 613,355	$ 32,210,866	$ 5,472,570	$ 1,819,798	$ 39,503,234

2015

	Program Services				Support Services		
	Community Impact	Volunteer Engagement	Grant	Total	Fund Raising	Management and General	Total
Gross program investments	$ 44,768,082	$ -	$ -	$ 44,768,082	$ -	$ -	$ 44,768,082
Less: Donor designated funds	(21,601,609)	-	-	(21,601,609)	-	-	(21,601,609)
Net program investments	23,166,473	-	-	23,166,473	-	-	23,166,473
Salaries	1,120,813	166,782	162,051	1,449,646	2,245,103	942,278	4,637,027
Employee health and retirement benefits	252,082	35,831	35,105	323,018	518,670	269,985	1,111,673
Payroll taxes	81,533	12,362	10,691	104,586	166,547	62,220	333,353
Total personnel expenses	1,454,428	214,975	207,847	1,877,250	2,930,320	1,274,483	6,082,053
Professional fees and outside services	47,956	1,534	70,908	120,398	96,275	68,981	285,654
In-Kind Gifts-Advertising	-	-	-	-	630,416	-	630,416
Supplies	10,480	1,491	1,623	13,594	22,857	20,118	56,569
Telephone	8,410	1,236	1,652	11,298	19,222	6,255	36,775
Postage and shipping	1,356	120	145	1,621	19,498	15,081	36,200
Occupancy	53,891	5,597	-	59,488	83,720	33,581	176,789
Equipment/software Maintenance & Purchases	56,011	2,968	1,541	60,520	70,332	20,546	151,398
Printing, publications and media	13,764	1,358	1,297	16,419	413,195	2,984	432,598
Travel	6,868	2,152	2,474	11,494	22,099	2,221	35,814
Campaign/program events, meetings, and training	43,456	45,122	5,429	94,007	126,288	21,163	241,458
Membership dues	4,574	332	-	4,906	5,903	7,652	18,461
United eWay expenses	-	-	-	-	73,967	-	73,967
United Way of America dues	118,706	19,321	-	138,027	265,835	102,788	506,650
United Way of Wisconsin dues	14,058	2,288	-	16,346	31,482	12,173	60,001
Depreciation expense	39,511	6,431	-	45,942	88,483	34,213	168,638
Interest expense	174	28	-	202	389	150	741
Total non-personnel expenses	419,215	89,978	85,069	594,262	1,969,961	347,906	2,912,129
Total personnel and non-personnel expenses	1,873,643	304,953	292,916	2,471,512	4,900,281	1,622,389	8,994,182
Total functional expenses	$ 25,040,116	$ 304,953	$ 292,916	$ 25,637,985	$ 4,900,281	$ 1,622,389	$ 32,160,655

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.

United Way in Waukesha County Acquisition

On February 1, 2015 United Way of Greater Milwaukee, Inc. merged with the United Way in Waukesha County, Inc. in order to increase efficiency in serving greater Milwaukee and Waukesha County. The transaction is considered an acquisition under accounting principles generally accepted in the United States of America. The new entity has been renamed to United Way of Greater Milwaukee & Waukesha County, Inc.

Nature of Activities

United Way is a local organization run and governed by those living and working within this community. United Way is a not-for-profit 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 2015 campaign will fund allocations to strategic initiatives and programs operated by member agencies for the fiscal year beginning July 1, 2016. The amount allocated to each member agency is determined 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, 2016. 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, 2016. For example, distribution of designated pledges for the autumn 2015 campaign actually begins during the fourth quarter of 2015 and continues into the 2016 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 not-for-profit 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:

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets - 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 unrestricted net assets 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 temporarily restricted net assets. When a restriction expires, temporarily restricted net assets are released to unrestricted net assets.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that the principal be maintained in perpetuity by United Way. 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.

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.

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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. The Organization receives periodic distributions on these investments upon WCCF board approval.

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 unrestricted revenue 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, 2016 and 2015 is recognized during the year in which the pledge has been received. The rate used to calculate the estimated uncollectible amount is based upon a historical analysis of actual pledge losses during past campaigns.
- Provision on donor designated pledges
    - Donor designated pledges are excluded from gross campaign revenue. The pledge loss provision associated with these donor designated pledges is excluded as well.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Provision for Uncollectible Pledges (continued)

- 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.

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 25 years
Furniture, fixtures, and equipment	3 to 10 years
Automobiles	5 years
Computer hardware and software	3 to 5 years

Impairment of Long-Lived Assets

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

Donor Designations Payable

Donor designations payable represent amounts due to qualified donor-designated agencies under United Way's "Community Donor Choice" and "DeTocqueville Society" programs or other donor-designated programs administered by United Way for local, state, and federal government employees. Qualified agencies for United Way's "Community Donor Choice" program are health and human development agencies located in the state of Wisconsin and other United Ways that are recognized by the Internal Revenue Service as not-for-profit organizations.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Amounts Payable Under Fiscal Agent Responsibilities

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

In the first category, United Way handles only the distribution process as it receives amounts from three major corporate donors 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. In two cases, the corporate donor withholds the amounts from its employees and remits the funds to United Way. In the other instance, the corporate donor remits the aggregate pledge amount of its employees.

In the second 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.

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

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 temporarily restricted revenue. Pledges received in the current fiscal year for prior year campaigns are recorded as unrestricted revenue. Collections on pledges for prior year campaigns are released from restriction in the year collected.

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)

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 2016 and 2015 were $529,399 and $303,728, respectively. The value of advertising has been reflected as fundraising services in the statements of activities. The total amounts recorded in 2016 and 2015 were $667,830 and $630,416, 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.

Functional Allocation of Expenses

In the accompanying statement of functional expenses, all expenses are allocated based upon the functions to which they relate. Expenses were allocated among the program and support categories on the basis of time spent on the program and support functions. The allocation to these categories was made in accordance with standards established by United Way Worldwide.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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, 2016 and 2015.

Reclassifications

Certain reclassifications have been made to the 2015 financial statement presentation to correspond to the current year's format.

NOTE 2 - INVESTMENTS

Investments, stated at fair value, at June 30, 2016 and 2015, are summarized as follows:

	2016		2015	
	Fair Value	Percent of Total	Fair Value	Percent of Total
Operating:				
Certificates of deposit	$ -	0.0%	$ 100,000	0.8%
Equity securities	6,650,065	55.6%	6,468,673	54.3%
Fixed income	4,160,209	34.8%	4,636,629	38.9%
Core real estate	1,150,000	9.6%	718,750	6.0%
Total	$ 11,960,274	100.0%	$ 11,924,052	100.0%
Endowment:				
Equity securities	$ 2,938,061	71.6%	$ 2,859,569	65.2%
Fixed income	1,165,893	28.4%	1,524,768	34.8%
Total	$ 4,103,954	100.0%	$ 4,384,337	100.0%
Total investments:				
Certificates of deposit	$ -	0.0%	$ 100,000	0.6%
Equity securities	9,588,126	59.7%	9,328,242	57.2%
Fixed income	5,326,102	33.2%	6,161,397	37.8%
Core real estate	1,150,000	7.2%	718,750	4.4%
Total	$ 16,064,228	100.0%	$ 16,308,389	100.0%

NOTE 2 - INVESTMENTS (continued)

The components of United Way's investment income for the fiscal years ended June 30, 2016 and 2015 are as follows:

	2016		2015	
	Dividend and Interest Income	Realized and Unrealized (Losses)	Dividend and Interest Income	Realized and Unrealized Gains
Operating	$ 141,905	$ (104,162)	$ 193,599	$ 122,413
Endowment	65,200	(70,012)	81,845	60,719
Total	$ 207,105	$ (174,174)	$ 275,444	$ 183,132

During the years ended June 30, 2016 and 2015, investment fees totaling $53,122 and $38,122, respectively, were netted against investment income from those investments.

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 - PLEDGES RECEIVABLE

Net pledges receivable consisted of the following as of June 30, 2016 and 2015:

	2016	2015
Less than one-year	$ 18,254,734	$ 19,389,919
One to five years	570,000	885,000
Gross pledges receivable	18,824,734	20,274,919
Less:		
Unamortized discount	50,799	81,015
Allowance for uncollectible amounts	1,856,171	1,887,412
Pledges receivable - net	16,917,764	18,306,492
Less - Current portion	16,398,563	17,502,507
Pledges receivable, less current portion	$ 519,201	$ 803,985

NOTE 3 - PLEDGES RECEIVABLE (continued)

Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The discounts on these long-term pledges are computed using rates between 2.13% and 6.00%.

NOTE 4 - LAND, BUILDING, AND EQUIPMENT

Land, building, and equipment consisted of the following as of June 30, 2016 and 2015:

	2016	2015
Land	$ 100,235	$ 100,235
Building and improvements	3,135,204	3,124,558
Furniture, fixtures and equipment	1,010,347	980,878
Other capital assets	45,906	14,752
	4,291,692	4,220,423
Less: accumulated depreciation	(3,051,448)	(2,878,407)
Total	$ 1,240,244	$ 1,342,016

NOTE 5 - 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 2017. Interest is accrued on the unpaid principal balance at LIBOR plus 175 basis points (2.22% and 1.93% at June 30, 2016 and 2015, respectively). As of June 30, 2016 and 2015, United Way had no balance outstanding under the line of credit.

NOTE 6 - 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:

NOTE 6 - FAIR VALUE MEASUREMENTS (continued)

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

Level 2 - Inputs to the valuation methodology include:
- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

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

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

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

Following is a description of the valuation methodologies used at June 30, 2016 and 2015 for assets measured at fair value.

Limited Partnerships: Valued at an amount equal to the ownership interest in partners' capital, which approximates fair value. The fund does not have a finite life, unfunded commitments or restrictions on redemptions. The investment strategy of the limited partnerships are to outperform the Morgan Stanley Capital International Index of Europe, Australia and the Far East Index over multiple year periods and to maintain significantly less volatility than the global equity market while delivering market-like returns over a full market cycle.

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 6 - FAIR VALUE MEASUREMENTS (continued)

Collective Trust: Valued at the net asset value (NAV) of units of the collective trust. The NAV, as provided by the trustee, 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 liabilities. 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. Transactions (purchases and sales) may occur frequently. Were United Way to initiate a full redemption of the collective trust, the investment advisor reserves the right to temporarily delay withdrawal from the trust in order to ensure that securities liquidations will be carried out in an orderly business manner.

Information regarding assets measured at fair value on a recurring basis as of June 30, 2016 is as follows:

2016	Level 1	Level 2	Level 3	Total
Mutual funds				
Money market	$ 247,032	$ -	$ -	$ 247,032
Small cap value	794,386	-	-	794,386
All cap core	4,771,353	-	-	4,771,353
International	1,585,164	-	-	1,585,164
Fixed income	4,205,333	-	-	4,205,333
Senior secured loans	1,120,769	-	-	1,120,769
Collective trust	-	1,633,850	-	1,633,850
Limited partnerships	-	556,341	1,150,000	1,706,341
Total assets at fair value	$ 12,724,037	$ 2,190,191	$ 1,150,000	$ 16,064,228

NOTE 6 - FAIR VALUE MEASUREMENTS (continued)

Information regarding assets measured at fair value on a recurring basis as of June 30, 2015 is as follows:

2015	Level 1	Level 2	Level 3	Total
Certificates of deposit	$ 100,000	$ -	$ -	$ 100,000
Mutual funds				
Money market	910,863	-	-	910,863
Small cap value	802,560	-	-	802,560
All cap core	4,700,728	-	-	4,700,728
International	1,631,454	-	-	1,631,454
Fixed income	4,456,432	-	-	4,456,432
Senior secured loans	794,101	-	-	794,101
Collective trust	-	1,545,460	-	1,545,460
Limited partnerships	-	648,041	718,750	1,366,791
Total assets at fair value	$ 13,396,138	$ 2,193,501	$ 718,750	$ 16,308,389

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, 2016:

	Core Real Estate
Balance, beginning of year	$ 718,750
Purchases	431,250
Balance, end of year	$ 1,150,000

NOTE 7 - PENSION AND THRIFT 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 $135,816 and $113,024 in 2016 and 2015, 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 non-union pension plan contributions charged to expense were $170,614 and $133,612 in 2016 and 2015, respectively.

NOTE 7 - PENSION AND THRIFT PLANS (continued)

Defined Benefit Pension Plan

United Way has a noncontributory defined benefit pension plan covering all employees who are not members of the collective bargaining unit. During the past 15 years, the plan has been amended on two occasions, the end result of which was to modify the plan from a traditional defined benefit pension plan, on which benefits are based on average earnings and years of service, to a noncontributory cash balance pension plan.

Effective March 31, 2015 the plan was frozen relative to adding new participants. As of June 30, 2016 the plan was also frozen with respect to benefit accruals for all active participants of the plan. In addition United Way intends to terminate the plan by December 31, 2017 in accordance with regulations promulgated by the Pension Benefit Guarantee Corporation (PBGC), the Internal Revenue Code (IRC) and the Employee Retirement Income Security Act of 1974 (ERISA). Effective July 1, 2016 the non-union participants of this defined benefit pension plan will receive a separate United Way contribution made to the 403(b) Thrift Plan.

The following information regarding the plan's assets and benefit obligations account for United Way's intention to terminate the plan. This affects the actuarial assumptions for the discount rate and rate of compensation increase.

Net annual periodic pension cost of the defined benefit pension plan is presented in the following table:

	2016	2015
Service cost	$ 150,744	$ 139,537
Interest cost	96,180	88,193
Expected return on assets	(149,342)	(141,603)
Amortization of prior service cost	(3,398)	(3,398)
Amortization of Net loss	1,493	-
	$ 95,677	$ 82,729

NOTE 7 - PENSION AND THRIFT PLANS (continued)

Changes in the benefit obligations and Plan assets are presented in the following table:

	2016	2015
Plan assets at fair value:		
Beginning balance	$ 2,344,187	$ 2,128,184
Actual return on assets	(19,152)	76,459
Employer contributions	250,000	240,000
Benefits paid	(292,316)	(100,231)
Administrative expenses	(579)	(225)
Ending balance	2,282,140	2,344,187
Projected benefit obligation:		
Beginning balance	2,267,288	1,989,513
Service cost	150,744	139,537
Interest cost	96,180	88,193
Actuarial loss	368,045	150,276
Benefits paid	(292,316)	(100,231)
Ending balance	2,589,941	2,267,288
Funded status - Plan assets in excess (deficit) of projected benefit obligation	$ (307,801)	$ 76,899

The United Way recognized in the statements of financial position a liability of $307,801 and an asset of $76,899 to the funded status of the plan as of June 30, 2016 and 2015, respectively.

The plan projected benefit obligation was $2,589,941 and $2,267,288 at June 30, 2016 and 2015, respectively.

Weighted average assumptions used as of June 30, 2016 and 2015, the measurement dates, in developing the projected benefit obligation are as follows:

	2016	2015
Discount rate	2.01%	4.50%
Expected long term return on plan assets	6.50%	6.50%
Rate of compensation increase	N/A	3.50%

To develop the expected long-term rate of return on asset assumptions, United Way considered the historical returns and future expectations for returns in each asset class, as well as targeted asset allocation percentages within the pension portfolio. This resulted in the selection of 6.50% for the long-term rate of return on asset assumption.

NOTE 7 - PENSION AND THRIFT PLANS (continued)

The following table summarizes the composition of pension plan assets at June 30:

	2016		2015	
	Level 1 Amount	Percent of Total	Level 1 Amount	Percent of Total
Asset category:				
Debt/fixed income securities	$ -	0.0%	$ 1,659,049	70.8%
Large cap equity securities	-	0.0%	249,685	10.7%
Mid/small cap equity securities	-	0.0%	310,696	13.3%
International equity securities	-	0.0%	99,634	4.1%
Short-term investments	2,282,140	100.0%	25,123	1.1%
Total	$ 2,282,140	100.0%	$ 2,344,187	100.0%

Pension investments are managed by Mutual of America in accordance with the Pension Plan Document and the State of Investment Objectives and Policy Guidelines as established and maintained by the Investment Committee (the Committee) of the Board of Directors. The investment policy guidelines establish asset allocation, quality targets, and performance expectations, as well as regular reporting requirements. The Committee has established a target asset allocation of 30% equity securities and 70% debt fixed income securities, diversifying each class with multiple managers and differing styles of management. However based on the decision to terminate the plan is 100% invested in cash and cash equivalents.

Future contributions to the plan cannot be estimated at this time, due to the plan being frozen at June 30, 2016. At the re-measurement date, the discount rate was decreased from 4.50% to 2.01%.

Future benefit payments are expected to be paid as follows:

Fiscal Year Ended June 30,	
2017	$ 2,589,900

Deferred Compensation Plan – 457(b)

During 2016, United Way implemented 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.

NOTE 7 - PENSION AND THRIFT PLANS (continued)

Information regarding assets measured at fair value on a recurring basis as of June 30, 2016 is as follows:

	Level 1	Level 2	Level 3	Total
Mutual Funds	$ 23,914	$ -	$ -	$ 23,914
Guaranteed Interest Rate Contract	-		9,999	9,999
	$ 23,914	$ -	$ 9,999	$ 33,913

The following table represents a reconciliation for Level 3 investments measured at fair value for the year ended June 30, 2016:

	Level 3 Investments
Balance at inception	$ -
Employee contributions	-
Employer contributions	9,811
Investment returns	188
Ending balance, June 30, 2016	$ 9,999

NOTE 8 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets include revenue from upcoming United Way campaigns that is unavailable for distribution until the close of the annual campaign. In addition, temporarily restricted net assets include contributions from donors which have timing restrictions on the use of both the original gift and increases in the fair value of the gift.

Below is a breakdown of temporarily restricted net assets, as shown on the statements of financial position, as of June 30, 2016 and 2015:

	2016	2015
2014 campaign revenue	$ -	$ 175,125
2015 campaign revenue	-	1,216,698
2016 campaign revenue	909,188	118,018
2017 campaign revenue	73,824	66,824
2018 campaign revenue	10,000	10,000
Restricted as to time	714,585	1,239,803
Donor directed fund	1,297,561	484,300
Total	$ 3,005,158	$ 3,310,768

NOTE 9 - 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, not-for-profits 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, 2016 and 2015:

	2016	2015
United Way investment strategies:		
Income	$ 4,466,649	$ 3,239,279
Health	14,560,886	10,541,064
Education	9,373,938	9,082,402
Gift-in-Kind Teen Pregnancy Public Awareness Campaign	465,606	303,728
Net program investments	$28,867,079	$23,166,473

NOTE 10 - 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 11 - 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 12 - 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.

NOTE 12 - ENDOWMENTS (continued)

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 temporarily restricted net assets if the earnings are restricted by the donor for a specific purpose or as board-designated unrestricted net assets if the earnings are not donor restricted.

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 5% of the average market value of the related endowment investments over a three-year period.

NOTE 12 - ENDOWMENTS (continued)

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 5% of the average market value of the board-designated endowment investments over a three-year period.

Endowment net assets consisted of the following at June 30, 2016 and 2015:

	2016			2015		
	Board Designated	Donor Designated	Total	Board Designated	Donor Designated	Total
Unrestricted	$ 1,388,925	$ 533,468	$ 1,922,393	$ 1,303,149	$ 625,075	$ 1,928,224
Temporarily restricted	-	1,176,371	1,176,371	-	1,471,219	1,471,219
Permanently restricted	-	1,197,282	1,197,282	-	1,197,282	1,197,282
Total	$ 1,388,925	$ 2,907,121	$ 4,296,046	$ 1,303,149	$ 3,293,576	$ 4,596,725

Changes in endowment net assets were as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets at June 30, 2014	$ 1,880,195	$ 1,551,556	$ 1,179,218	$ 4,610,969
Activity in fiscal year June 30, 2015				
Addition to endowments	64,129	231,193	18,064	313,386
Investment return:				
Interest and dividends	56,552	21,359	-	77,911
Net appreciation	49,373	11,345	-	60,718
Endowment expenditures/distributions	(122,025)	(344,234)	-	(466,259)
Endowment net assets at June 30, 2015	1,928,224	1,471,219	1,197,282	4,596,725
Activity in fiscal year June 30, 2016				
Addition to endowments	85,239	26,000	-	111,239
Investment return:				
Interest and dividends	45,346	14,736	-	60,082
Net (depreciation) / appreciation	(51,574)	(15,493)	-	(67,067)
Endowment expenditures/distributions	(84,842)	(320,091)	-	(404,933)
Endowment net assets at June 30, 2016	$ 1,922,393	$ 1,176,371	$ 1,197,282	$ 4,296,046

NOTE 13 - ACQUISITION

As described in Note 1, the United Way of Greater Milwaukee (UWGM) merged with the United Way in Waukesha County (UWWC). Under accounting principles generally accepted in the United States of America, this transaction was an acquisition by UWGM of UWWC. UWGM did not transfer any consideration to UWWC. At the time of the merger, February 1, 2015, the assets acquired and liabilities assumed were as follows:

SCHEDULE OF ASSETS ACQUIRED	
Cash and cash equivalents	$ 1,982,515
Accounts receivable	156,603
Pledges receivable - net	1,041,159
Prepaid expenses	17,766
Land, building, and equipment - net	217,224
Certificates of deposit	300,000
Restricted certificates of deposit	10,068
Beneficial interest in endowment held by others	192,270
Total assets acquired	3,917,605
SCHEDULE OF LIABILITIES ASSUMED	
Accounts payable and accrued liabilities	83,608
Allocations payable	1,341,550
Designations payable	101,658
Organizations payable	53,309
Deferred revenue	1,296
Total liabilities assumed	1,581,421
GAIN ON ACQUISITION	$ 2,336,184

NOTE 14 - SUBSEQUENT EVENTS

Management evaluated subsequent events through November 14, 2016, the date the financial statements were available to be issued. Events or transactions occurring after June 30, 2016, but prior to November 14, 2016 that provide additional evidence about conditions that existed at June 30, 2016, have been recognized in the financial statements for the year ended June 30, 2016. Events or transactions that provided evidence about conditions that did not exist at June 30, 2016 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, 2016.

SUPPLEMENTARY INFORMATION

UNITED WAY OF GREATER MILWAUKEE & WAUKESHA COUNTY, INC.
OPERATING EXPENSE RATIO CALCULATION
Years Ended June 30, 2016 and 2015

	2016	2015
REVENUE		
Total revenue as reported on Statement of Activities	$ 36,669,371	$ 34,224,924
Adjustments to total revenue:		
Add: Donor designated funds	23,149,277	21,601,609
Less: Recoveries of uncollectible pledges from prior campaigns	(510,437)	(420,320)
Less: Unrealized gains on investments	349,953	1,590,900
Less: Advertising gifts in-kind	(667,830)	(630,416)
Add: Investment trustee fees	53,122	38,122
Adjusted total revenue as reported on Part I, line 12 of IRS Form 990 (See Note A)	$ 59,043,456	$ 56,404,819
EXPENSES		
Management and general	$ 1,819,798	$ 1,622,389
Fundraising	5,472,570	4,900,281
Adjustments to total expenses		
Less: Gifts in-kind	(667,830)	(630,416)
Add: Investment trustee fees	53,122	38,122
Total expenses as reported on Part IX, line 25, columns C & D of IRS Form 990	$ 6,677,660	$ 5,930,376
OPERATING EXPENSE RATIO (See Note A)	**11.3%**	**10.5%**

Note A
The operating expense ratio reflected above has been calculated in conformity to standards adopted by the United Way Worldwide. United Way of Greater Milwaukee & Waukesha County, Inc. receives sponsorship revenue to subsidize expenses associated with such activities as the campaign kickoff event, victory celebration, and week of caring initiative. In addition, a portion of the accumulated growth in endowments underwrites certain expenses, such as direct mail costs. If these revenue and expense components are netted against one another, the operating expense ratio for the fiscal years ended June 30, 2016 and 2015 would have been 10.1% and 9.5%, respectively.