

**UNITED WAY OF GREATER MILWAUKEE, INC.**  
Milwaukee, Wisconsin

**FINANCIAL STATEMENTS**  
June 30, 2011 and 2010

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## Independent Auditor's Report

Board of Directors  
United Way of Greater Milwaukee, Inc.  
Milwaukee, Wisconsin

We have audited the accompanying statements of financial position of United Way of Greater Milwaukee, Inc. as of June 30, 2011 and 2010, and the related statements of activities, cash flows, and functional expenses for the years then ended. These financial statements are the responsibility of United Way's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audit 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, Inc. as of June 30, 2011 and 2010, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplemental information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements, and, in our opinion, is presented fairly, in all material respects, in relation to the basic financial statements taken as a whole.

*Clifton Gunderson LLP*

Milwaukee, Wisconsin  
October 25, 2011

**UNITED WAY OF GREATER MILWAUKEE, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**June 30, 2011 and 2010**

	<u>2011</u>	<u>2010</u>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 1,383,930	\$ 2,697,384
Investments	9,101,465	7,703,187
Pledges receivable - net	14,553,340	11,849,982
Prepaid expenses and other	<u>225,747</u>	<u>144,049</u>
Total current assets	25,264,482	22,394,602
Pledges receivable, less current portion	650,103	811,418
Investments - Endowment fund	4,289,359	3,654,852
Land, building, and equipment - net	785,344	859,743
Other assets	<u>-</u>	<u>610,623</u>
Total assets	<u>\$ 30,989,288</u>	<u>\$ 28,331,238</u>
 <b>LIABILITIES AND NET ASSETS</b>		
Liabilities:		
Current liabilities:		
Donor designations payable	\$ 4,678,592	\$ 3,692,590
Amounts payable under fiscal agent responsibilities	1,789,758	1,854,936
Grants payable	-	832,455
Other amounts payable	62,349	71,914
Accrued expenses and other current liabilities	<u>271,405</u>	<u>473,118</u>
Total current liabilities	6,802,104	6,925,013
Other liabilities	<u>-</u>	<u>610,623</u>
Total liabilities	<u>6,802,104</u>	<u>7,535,636</u>
Net assets:		
Unrestricted:		
Undesignated	(3,524,861)	(6,018,945)
Investment in land, building, and equipment	785,344	859,743
Accumulated net growth in permanently restricted net assets	309,150	105,821
Board designated for allocations to agencies and partners	20,603,985	20,827,570
Board designated endowment fund	937,374	732,676
Board designated for capital improvements	<u>539,785</u>	<u>477,456</u>
Total unrestricted	19,650,777	16,984,321
Temporarily restricted	3,369,689	2,644,563
Permanently restricted net assets	<u>1,166,718</u>	<u>1,166,718</u>
Total net assets	<u>24,187,184</u>	<u>20,795,602</u>
Total liabilities and net assets	<u>\$ 30,989,288</u>	<u>\$ 28,331,238</u>

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

**UNITED WAY OF GREATER MILWAUKEE, INC.**  
**STATEMENTS OF ACTIVITIES**  
**Years Ended June 30, 2011 and 2010**

	2011				2010			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>PUBLIC SUPPORT AND REVENUE</b>								
Campaign revenue:								
Gross campaign results	\$ 45,791,563	\$ 1,958,987	\$ -	\$ 47,750,550	\$ 44,900,595	\$ 1,072,100	\$ -	\$ 45,972,695
Less: Donor designated funds	<u>(19,204,208)</u>	<u>(380,492)</u>	<u>-</u>	<u>(19,584,700)</u>	<u>(18,217,255)</u>	<u>(242,230)</u>	<u>-</u>	<u>(18,459,485)</u>
Net campaign results	26,587,355	1,578,495	-	28,165,850	26,683,340	829,870	-	27,513,210
Less: Provision for uncollectible pledges	<u>(518,073)</u>	<u>(63,300)</u>	<u>-</u>	<u>(581,373)</u>	<u>(795,220)</u>	<u>(34,100)</u>	<u>-</u>	<u>(829,320)</u>
Net campaign revenue	26,069,282	1,515,195	-	27,584,477	25,888,120	795,770	-	26,683,890
Contributions received in prior period now released from restriction	752,427	(752,427)	-	-	643,389	(643,389)	-	-
Contributions received in current period now released from restriction	208,700	(208,700)	-	-	208,700	(208,700)	-	-
Service fees - Campaign	595,059	-	-	595,059	451,854	-	-	451,854
Memorials and bequests	43,249	-	-	43,249	569,007	-	-	569,007
Sponsorship of United Way events and activities	<u>412,500</u>	<u>-</u>	<u>-</u>	<u>412,500</u>	<u>331,096</u>	<u>-</u>	<u>-</u>	<u>331,096</u>
Total campaign revenue	<u>28,081,217</u>	<u>554,068</u>	<u>-</u>	<u>28,635,285</u>	<u>28,092,166</u>	<u>(56,319)</u>	<u>-</u>	<u>28,035,847</u>
Non-campaign revenue:								
Dividends and interest income	288,382	42,774	-	331,156	295,465	43,470	-	338,935
Net realized and unrealized gains on investments	1,381,831	308,195	-	1,690,026	867,780	125,799	-	993,579
Transfer to unrestricted for disbursement of temporarily restricted funds	179,911	(179,911)	-	-	163,161	(163,161)	-	-
Rental income and other	<u>75,174</u>	<u>-</u>	<u>-</u>	<u>75,174</u>	<u>74,558</u>	<u>-</u>	<u>-</u>	<u>74,558</u>
Total non-campaign revenue	<u>1,925,298</u>	<u>171,058</u>	<u>-</u>	<u>2,096,356</u>	<u>1,400,964</u>	<u>6,108</u>	<u>-</u>	<u>1,407,072</u>
Total public support and revenue	<u>30,006,515</u>	<u>725,126</u>	<u>-</u>	<u>30,731,641</u>	<u>29,493,130</u>	<u>(50,211)</u>	<u>-</u>	<u>29,442,919</u>
<b>EXPENSES</b>								
Agency distributions:								
Gross agency distributions	40,181,028	380,492	-	40,561,520	39,467,351	242,230	-	39,709,581
Less: Donor designated funds	<u>(19,204,208)</u>	<u>(380,492)</u>	<u>-</u>	<u>(19,584,700)</u>	<u>(18,217,255)</u>	<u>(242,230)</u>	<u>-</u>	<u>(18,459,485)</u>
Net agency distributions	<u>20,976,820</u>	<u>-</u>	<u>-</u>	<u>20,976,820</u>	<u>21,250,096</u>	<u>-</u>	<u>-</u>	<u>21,250,096</u>
Program services:								
Community impact	<u>1,234,464</u>	<u>-</u>	<u>-</u>	<u>1,234,464</u>	<u>1,198,427</u>	<u>-</u>	<u>-</u>	<u>1,198,427</u>
Supporting services:								
Fund raising	3,736,002	-	-	3,736,002	3,770,378	-	-	3,770,378
Management and general	<u>1,392,773</u>	<u>-</u>	<u>-</u>	<u>1,392,773</u>	<u>1,444,050</u>	<u>-</u>	<u>-</u>	<u>1,444,050</u>
Total supporting services	<u>5,128,775</u>	<u>-</u>	<u>-</u>	<u>5,128,775</u>	<u>5,214,428</u>	<u>-</u>	<u>-</u>	<u>5,214,428</u>
Total expenses	<u>27,340,059</u>	<u>-</u>	<u>-</u>	<u>27,340,059</u>	<u>27,662,951</u>	<u>-</u>	<u>-</u>	<u>27,662,951</u>
Change in net assets	2,666,456	725,126	-	3,391,582	1,830,179	(50,211)	-	1,779,968
<b>Net assets at beginning of year</b>	<u>16,984,321</u>	<u>2,644,563</u>	<u>1,166,718</u>	<u>20,795,602</u>	<u>15,154,142</u>	<u>2,694,774</u>	<u>1,166,718</u>	<u>19,015,634</u>
<b>Net assets at end of year</b>	<u>\$ 19,650,777</u>	<u>\$ 3,369,689</u>	<u>\$ 1,166,718</u>	<u>\$ 24,187,184</u>	<u>\$ 16,984,321</u>	<u>\$ 2,644,563</u>	<u>\$ 1,166,718</u>	<u>\$ 20,795,602</u>

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

**UNITED WAY OF GREATER MILWAUKEE, INC.**  
**STATEMENTS OF CASH FLOWS**  
**Years Ended June 30, 2011 and 2010**

	<u>2011</u>	<u>2010</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets:	\$ 3,391,582	\$ 1,779,968
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	122,414	115,069
Net gains on investment securities	(1,690,026)	(993,579)
Provision for uncollectible pledges	581,373	829,320
Changes in operating assets and liabilities:		
Net pledges receivable	(3,123,416)	(1,063,512)
Prepaid expenses and other assets	528,925	(249,800)
Donor designations payable	986,002	(395,507)
Amounts payable under fiscal agent responsibilities	(65,178)	211,024
Grants payable	(832,455)	(372,195)
Other amounts payable	(9,565)	(99,350)
Accrued expenses and other liabilities	<u>(812,336)</u>	<u>(33,216)</u>
Net cash used in operating activities	<u>(922,680)</u>	<u>(271,778)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Reinvestment of dividends from investment securities	(342,759)	(347,266)
Purchases of equipment	<u>(48,015)</u>	<u>(21,765)</u>
Net cash used in investing activities	<u>(390,774)</u>	<u>(369,031)</u>
<b>DECREASE IN CASH AND CASH EQUIVALENTS</b>	(1,313,454)	(640,809)
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>2,697,384</u>	<u>3,338,193</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 1,383,930</u>	<u>\$ 2,697,384</u>

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, 2011 and 2010**

	<u>2011</u>				<u>2010</u>			
	<u>Program Services</u>	<u>Support Services</u>		<u>Total</u>	<u>Program Services</u>	<u>Support Services</u>		<u>Total</u>
	<u>Community Impact</u>	<u>Fund Raising</u>	<u>Management and General</u>		<u>Community Impact</u>	<u>Fund Raising</u>	<u>Management and General</u>	
Salaries	\$ 747,236	\$ 1,701,984	\$ 855,174	\$ 3,304,394	\$ 718,320	\$ 1,720,462	\$ 880,279	\$ 3,319,061
Employee health and retirement benefits	156,678	288,099	175,304	620,081	151,833	280,189	193,490	625,512
Payroll taxes	53,075	132,160	57,992	243,227	51,607	144,905	62,053	258,565
Total personnel expenses	<u>956,989</u>	<u>2,122,243</u>	<u>1,088,470</u>	<u>4,167,702</u>	<u>921,760</u>	<u>2,145,556</u>	<u>1,135,822</u>	<u>4,203,138</u>
Professional fees and outside services	12,646	169,734	33,571	215,951	12,197	217,876	44,588	274,661
In-kind gifts--advertising	-	505,624	-	505,624	-	521,872	-	521,872
Supplies	9,028	18,893	19,792	47,713	8,809	18,728	16,475	44,012
Telephone	5,962	14,096	9,958	30,016	5,451	14,284	9,480	29,215
Postage and shipping	1,534	15,688	17,774	34,996	2,392	17,440	17,484	37,316
Occupancy	36,088	81,531	44,255	161,874	31,366	72,019	39,741	143,126
Rental and maintenance of equipment	29,457	44,529	27,765	101,751	30,004	48,912	23,028	101,944
Printing, publications and media	21,172	271,748	5,747	298,667	39,160	232,588	10,284	282,032
Travel	2,193	20,388	1,290	23,871	2,684	23,643	1,461	27,788
Campaign events, meetings, and training	41,176	44,615	8,541	94,332	32,960	54,986	8,900	96,846
Membership dues	2,039	5,234	4,531	11,804	1,748	5,720	4,367	11,835
United eWay expenses	-	70,071	-	70,071	-	51,010	-	51,010
Total non-personnel expenses	<u>161,295</u>	<u>1,262,151</u>	<u>173,224</u>	<u>1,596,670</u>	<u>166,771</u>	<u>1,279,078</u>	<u>175,808</u>	<u>1,621,657</u>
Total personnel and non-personnel expenses	1,118,284	3,384,394	1,261,694	5,764,372	1,088,531	3,424,634	1,311,630	5,824,795
United Way Worldwide dues	83,098	251,488	93,754	428,340	79,882	251,318	96,255	427,455
United Way of Wisconsin dues	9,029	27,325	10,187	46,540	8,510	26,772	10,254	45,536
Depreciation expense	23,748	71,872	26,794	122,414	21,504	67,654	25,911	115,069
Interest expense	305	924	344	1,573	-	-	-	-
<b>Total functional expenses</b>	<u>\$ 1,234,464</u>	<u>\$ 3,736,002</u>	<u>\$ 1,392,773</u>	<u>\$ 6,363,239</u>	<u>\$ 1,198,427</u>	<u>\$ 3,770,378</u>	<u>\$ 1,444,050</u>	<u>\$ 6,412,855</u>

The accompanying notes are an integral part of these statements.

**UNITED WAY OF GREATER MILWAUKEE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2011 and 2010**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Activities**

United Way of Greater Milwaukee, Inc. (United Way) is a not-for-profit corporation whose mission is to improve lives by mobilizing community resources. United Way helps people build and sustain better lives through opportunities in Education, Income, and Health—the building blocks to a good life—by addressing basic needs, strong families, and self sufficiency while focusing on the root causes of our community’s most critical problems in order to break the cycle of poverty. United Way is a local organization run and governed by those living and working within this community.

Annual campaigns are conducted in the fall to support programs in subsequent years. For example, pledges that are not designated to specific agencies for the fall 2010 campaign will fund member agency allocations for the fiscal year beginning July 1, 2011. The amount allocated to each member agency is determined by a committee consisting of staff and volunteers. These member agency allocations are recorded as expenses during the fiscal year beginning July 1, 2011. In addition to member agencies, donors may also designate their contributions (cash or pledges) to unaffiliated nonmember agencies or certain umbrella organizations. Distribution of designated pledges to both member and nonmember agencies begin prior to the start of the fiscal year beginning July 1, 2011. For example, distribution of designated pledges for the fall 2010 campaign actually begins during the fourth quarter of 2010 and continues into the 2011 calendar year. Campaign contributions are used to support local health and human service programs of member and nonmember 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. Non-member agencies receive their funding through 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.

**UNITED WAY OF GREATER MILWAUKEE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2011 and 2010**

**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 in Preparation of Financial Statements**

The preparation of the accompanying financial statements in conformity with accounting principles generally accepted in the United States 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.

**UNITED WAY OF GREATER MILWAUKEE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2011 and 2010**

**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.

**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. Reserves 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 statement of financial position.

**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 5 years
Automobiles	5 years
Computer hardware and software	3 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.

**UNITED WAY OF GREATER MILWAUKEE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2011 and 2010**

**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 "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.

**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 bi-weekly payroll deduction amounts from a major corporate donor with locations around the country. On a quarterly basis, United Way distributes these amounts to approximately 400 entities in accordance with the request of the corporate donor. United Way has no collection responsibilities as the corporate donor withholds the amounts from its employees and remits the funds to United Way.

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 statement 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.

**UNITED WAY OF GREATER MILWAUKEE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2011 and 2010**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**Revenue Recognition**

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

**Contributed Services**

No amounts have been reflected in the financial statements for contributed services. 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 program advertising and other services at no charge. The value of the services has been reflected as gross campaign results and agency distributions in the statements of activities. The total amounts recorded in 2011 and 2010 were \$842,274 and \$1,068,532, 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 statement of activities.

**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.

**UNITED WAY OF GREATER MILWAUKEE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2011 and 2010**

**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, 2011 and 2010.

The federal and state income tax returns of the Organizations for 2008, 2009 and 2010 are subject to examination by the IRS and state taxing authorities, generally for three years after they were filed.

**Reclassifications**

Certain reclassifications have been made to prior year amounts to conform to the current year's presentation.

**UNITED WAY OF GREATER MILWAUKEE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2011 and 2010**

**NOTE 2 - INVESTMENTS**

Investments, stated at fair value, at June 30, 2011 and 2010, are summarized as follows:

	2011		2010	
	Fair Value	Percent of Total	Fair Value	Percent of Total
Unrestricted:				
Equity securities	\$ 4,126,563	45.3%	\$ 3,083,980	40.0%
Fixed income funds	<u>4,974,902</u>	<u>54.7%</u>	<u>4,619,207</u>	<u>60.0%</u>
<b>Total</b>	<u><u>\$ 9,101,465</u></u>	<u><u>100.0%</u></u>	<u><u>\$ 7,703,187</u></u>	<u><u>100.0%</u></u>
Endowment:				
Equity securities	\$ 2,791,863	65.1%	\$ 2,087,671	57.1%
Fixed income funds	<u>1,497,496</u>	<u>34.9%</u>	<u>1,567,181</u>	<u>42.9%</u>
<b>Total</b>	<u><u>\$ 4,289,359</u></u>	<u><u>100.0%</u></u>	<u><u>\$ 3,654,852</u></u>	<u><u>100.0%</u></u>
Total investments:				
Equity securities	\$ 6,918,426	51.7%	\$ 5,171,651	45.5%
Fixed income funds	<u>6,472,398</u>	<u>48.3%</u>	<u>6,186,388</u>	<u>54.5%</u>
<b>Total</b>	<u><u>\$ 13,390,824</u></u>	<u><u>100.0%</u></u>	<u><u>\$ 11,358,039</u></u>	<u><u>100.0%</u></u>

The components of United Way's investment income for the fiscal years ended June 30, 2011 and 2010 are as follows:

	2011		2010	
	Dividend and Interest Income	Realized and Unrealized Gains	Dividend and Interest Income	Realized and Unrealized Losses
Unrestricted	\$ 236,454	\$ 1,014,333	\$ 246,211	\$ 663,757
Endowment	<u>94,702</u>	<u>675,693</u>	<u>92,724</u>	<u>329,822</u>
<b>Total</b>	<u><u>\$ 331,156</u></u>	<u><u>\$ 1,690,026</u></u>	<u><u>\$ 338,935</u></u>	<u><u>\$ 993,579</u></u>

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

**UNITED WAY OF GREATER MILWAUKEE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2011 and 2010**

**NOTE 3 - PLEDGES RECEIVABLE**

Net pledges receivable consisted of the following as of June 30, 2011 and 2010:

	<u>2011</u>	<u>2010</u>
Less than one-year	\$ 16,129,234	\$ 13,456,618
One to five years	825,000	900,000
Over five years	<u>-</u>	<u>150,000</u>
Gross pledges receivable	16,954,234	14,506,618
Less:		
Unamortized discount	174,897	238,582
Allowance for uncollectible amounts	<u>1,575,894</u>	<u>1,606,636</u>
Pledges receivable - net	15,203,443	12,661,400
Less - Current portion	<u>14,553,340</u>	<u>11,849,982</u>
Pledges receivable, less current portion	<u>\$ 650,103</u>	<u>\$ 811,418</u>

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 a 6% rate.

**NOTE 4 - LAND, BUILDING, AND EQUIPMENT**

Land, building, and equipment consisted of the following as of June 30, 2011 and 2010:

	<u>2011</u>	<u>2010</u>
Land	\$ 100,235	\$ 100,235
Building and improvements	2,328,176	2,346,632
Furniture, fixtures and equipment	868,097	936,297
Other capital assets	<u>66,829</u>	<u>66,829</u>
	3,363,337	3,449,993
Less: accumulated depreciation	<u>(2,577,993)</u>	<u>(2,590,250)</u>
Total	<u>\$ 785,344</u>	<u>\$ 859,743</u>

**UNITED WAY OF GREATER MILWAUKEE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2011 and 2010**

**NOTE 5 - LINE OF CREDIT**

United Way has an unsecured line of credit with a bank wherein the lender will provide amounts up to \$3,000,000. The line of credit agreement matures in December 2011. Interest is accrued on the unpaid principal balance at LIBOR plus 250 basis points (2.69% at June 30, 2011). As of June 30, 2011 and 2010, United Way had no balance outstanding under the line of credit.

**NOTE 6 - DEFERRED COMPENSATION**

United Way had a deferred compensation agreement with one individual to defer compensation until retirement. Investments in mutual funds designated for deferred compensation under this plan are recorded as other assets; and the accrued liability is recorded as an other long-term liability in the accompanying statement of financial position. Since the deferred compensation balance was distributed in February 2011, the June 30, 2011 balance of other assets and liabilities is zero.

**NOTE 7 - 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.

**UNITED WAY OF GREATER MILWAUKEE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2011 and 2010**

**NOTE 7 - 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, 2011 and 2010 for assets measured at fair value.

Mutual funds are valued at quoted market prices, which represent the net asset value of shares held by the United Way at year end.

Information regarding assets measured at fair value on a recurring basis as of June 30, 2011 is as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds				
Money market	\$ 19,871	\$ -	\$ -	\$ 19,871
Large cap value	1,252,090	-	-	1,252,090
Large cap blend	2,407,887	-	-	2,407,887
Mid-cap growth	1,269,085	-	-	1,269,085
Small cap blend	743,910	-	-	743,910
International	1,245,454	-	-	1,245,454
Fixed income	<u>6,452,527</u>	<u>-</u>	<u>-</u>	<u>6,452,527</u>
Total assets at fair value	<u>\$ 13,390,824</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,390,824</u>

Information regarding assets measured at fair value on a recurring basis as of June 30, 2010 is as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds				
Money market	\$ 227,172	\$ -	\$ -	\$ 227,172
Large cap value	980,981	-	-	980,981
Large cap blend	1,842,892	-	-	1,842,892
Mid-cap growth	839,444	-	-	839,444
Small cap blend	563,738	-	-	563,738
International	944,596	-	-	944,596
Fixed income	<u>5,959,216</u>	<u>-</u>	<u>-</u>	<u>5,959,216</u>
Total assets at fair value	<u>\$ 11,358,039</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,358,039</u>

**UNITED WAY OF GREATER MILWAUKEE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2011 and 2010**

**NOTE 8 - PENSION AND THRIFT PLANS**

**403(b) Thrift Plan**

In November 2009, the Board of Directors approved the merging of the defined contribution pension plan into the 403(b) thrift plan. Features of each plan, however, remain the same.

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 \$90,326 and \$80,933 in 2011 and 2010, respectively.

A separate United Way contribution is made to a pension plan for members of the union with at least one year of service. 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 pension plan contributions charged to expense were \$76,855 and \$70,140 in 2011 and 2010, respectively.

**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. Benefits were based on average earnings and years of service. In early 2000, the Board of Directors approved amending the plan by establishing a noncontributory cash balance pension plan. This action was taken to provide more meaningful benefits for shorter service employees as well as an expected long-term reduction in costs. While all employees who are not members of the bargaining unit will participate in this cash balance plan, those hired after June 30, 2000, will receive benefits that are less than those that would have been realized under the provisions of the defined benefit plan prior to the cash balance amendment.

In November 2009, the Board of Directors approved freezing the traditional portion of the defined benefit pension plan for benefits accrued through December 31, 2009. The decision impacted the five active employees who had been hired prior to June 30, 2000. With this decision, all employees who are not a part of the collective bargaining unit are participants in the noncontributory cash balance pension plan.

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

	<u>2011</u>	<u>2010</u>
Service cost	\$ 165,845	\$ 128,075
Interest cost	77,214	73,095
Expected return on assets	(99,365)	(74,985)
Amortization of net (gain)/loss	7,306	7,706
Amortization of prior service cost	<u>(2,939)</u>	<u>(2,939)</u>
	<u>\$ 148,061</u>	<u>\$ 130,952</u>

**UNITED WAY OF GREATER MILWAUKEE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2011 and 2010**

**NOTE 8 - PENSION AND THRIFT PLANS** (continued)

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

	<u>2011</u>	<u>2010</u>
Plan assets at fair value:		
Beginning balance	\$ 1,163,583	\$ 851,736
Actual return on assets	229,614	140,694
Employer contributions	250,000	194,416
Benefits paid	(195,664)	(23,263)
Administrative expenses	(265)	-
Ending balance	<u>1,447,268</u>	<u>1,163,583</u>
Projected benefit obligation:		
Beginning balance	1,361,913	1,229,874
Service cost	165,845	128,075
Interest cost	77,214	73,095
Impact of amendment to plan	-	(125,738)
Actuarial loss (gain)	(23,023)	79,870
Benefits paid	<u>(195,664)</u>	<u>(23,263)</u>
Ending balance	<u>1,386,285</u>	<u>1,361,913</u>
Funded status - Plan assets in excess (deficit) of projected benefit obligation	<u>\$ 60,983</u>	<u>\$ (198,330)</u>

The United Way recognized in the statement of financial position an asset related to the funded status of the plan of \$60,983 as of June 30, 2011 and a liability related to the funded status of the plan of \$198,330 as of June 30, 2010.

The plan accumulated benefit obligation was \$1,386,285 and \$1,361,913 at June 30, 2011 and 2010, respectively.

Weighted average assumptions used as of June 30, 2011 and 2010, the measurement dates, in developing the projected benefit obligation are as follows:

	<u>2011</u>	<u>2010</u>
Discount rate	5.75%	6.00%
Expected long-term return on plan assets	7.50%	8.00%
Rate of compensation increase	4.00%	4.00%

To develop the expected long-term rate of return on asset assumptions, United Way of Greater Milwaukee 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 7.50% and 8.00% for the long-term rate of return on asset assumption for both June 30, 2011 and 2010, respectively.

**UNITED WAY OF GREATER MILWAUKEE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2011 and 2010**

**NOTE 8 - PENSION AND THRIFT PLANS** (continued)

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

	<b>2011</b>		<b>2010</b>	
	<b>Level 1 Amount</b>	<b>Percent of Total</b>	<b>Level 1 Amount</b>	<b>Percent of Total</b>
Asset category:				
Debt/fixed income securities	\$ 667,718	46.1%	\$ 555,937	47.7%
Large cap equity securities	367,067	25.4%	383,478	33.0%
Mid/small cap equity securities	216,932	15.0%	115,321	9.9%
International equity securities	126,603	8.7%	53,393	4.6%
Short-term investments	<u>68,948</u>	<u>4.8%</u>	<u>55,454</u>	<u>4.8%</u>
<b>Total</b>	<b><u>\$ 1,447,268</u></b>	<b><u>100.0%</u></b>	<b><u>\$ 1,163,583</u></b>	<b><u>100.0%</u></b>

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 50% equity securities and 50% debt fixed income securities, diversifying each class with multiple managers and differing styles of management.

United Way's contributions to the plan during the fiscal year ended June 30, 2012 are expected to be approximately \$100,000.

Future benefit payments are expected to be paid as follows:

Fiscal Year Ended June 30,	
2012	\$ 45,516
2013	46,516
2014	47,932
2015	141,649
2016	63,885
2017 to 2021	746,423

**UNITED WAY OF GREATER MILWAUKEE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2011 and 2010**

**NOTE 9 - 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 statement of financial position, as of June 30, 2011 and 2010:

	<u>2011</u>	<u>2010</u>
2010 campaign revenue	\$ -	\$ 752,427
2011 campaign revenue	1,501,751	-
Restricted as to time	1,785,596	1,828,844
Donor directed fund	<u>82,342</u>	<u>63,292</u>
<b>Total</b>	<u>\$ 3,369,689</u>	<u>\$ 2,644,563</u>

**NOTE 10 - NET DISTRIBUTIONS TO AGENCIES**

United Way's mission is to improve lives by mobilizing community resources. United Way brings together people and resources from all across the community from government, business, faith groups, 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, 2011 and 2010:

	<u>2011</u>	<u>2010</u>
United Way investment strategies:		
Income	\$ 2,716,984	\$ 2,563,231
Health	8,485,868	8,111,613
Education	7,051,000	7,614,164
Opportunity fund	268,500	182,343
Urgent needs funds	<u>200,000</u>	<u>200,000</u>
Total agency partners	<u>18,722,352</u>	<u>18,671,351</u>
Special initiatives:		
Reducing teen pregnancy and sexual violence against girls	<u>1,286,522</u>	<u>1,449,187</u>
Partnership and other distributions	<u>967,946</u>	<u>1,129,558</u>
<b>Program funding distributions</b>	<u>\$ 20,976,820</u>	<u>\$ 21,250,096</u>

**UNITED WAY OF GREATER MILWAUKEE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2011 and 2010**

**NOTE 10 - NET DISTRIBUTIONS TO AGENCIES** (continued)

The "Reducing Teen Pregnancy and Sexual Violence Against Girls Program" includes \$336,650 and \$546,660 of in-kind services received for a public awareness campaign in 2011 and 2010, respectively.

**NOTE 11 - CONCENTRATIONS**

The United Way maintains depository relationships with an area financial institution participating in the Federal Deposit Insurance Corporation's (FDIC) Transaction Account Guarantee Program. Under this program, non-interest bearing transaction accounts are fully guaranteed by the FDIC through December 31, 2013. The United Way also maintains cash in interest bearing transaction accounts, 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.

Since United Way processes campaigns of selected companies with a nationwide presence, pledges receivable are from companies and individuals not only in the greater Milwaukee, Wisconsin area but from all across the United States of America. Concentrations of credit risk with respect to pledges receivable are limited due to the large number of donors comprising United Way's base. At June 30, 2011 and 2010, approximately 8% of pledges receivable is due from one pledge.

**NOTE 12 - 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 13 - 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 OF GREATER MILWAUKEE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2011 and 2010**

**NOTE 13 - ENDOWMENTS** (continued)

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.

**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 require distributions made available to operations equal to 5% of the average market value of the board-designated endowment investments over a three-year period.

**UNITED WAY OF GREATER MILWAUKEE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2011 and 2010**

**NOTE 13 - ENDOWMENTS** (continued)

Endowment net assets consisted of the following at June 30, 2011 and 2010:

	2011			2010		
	Board Designated	Donor Designated	Total	Board Designated	Donor Designated	Total
Unrestricted	\$ 937,374	\$ 309,149	\$ 1,246,523	\$ 732,676	\$ 105,820	\$ 838,496
Temporarily restricted	-	1,867,938	1,867,938	-	1,892,136	1,892,136
Permanently restricted	-	1,166,718	1,166,718	-	1,166,718	1,166,718
Total	<u>\$ 937,374</u>	<u>\$ 3,343,805</u>	<u>\$ 4,281,179</u>	<u>\$ 732,676</u>	<u>\$ 3,164,674</u>	<u>\$ 3,897,350</u>

Changes in endowment net assets were as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>Endowment net assets at June 30, 2009</b>	\$ 74,767	\$ 2,051,386	\$ 1,166,718	\$ 3,292,871
Activity in fiscal year June 30, 2010				
Addition to endowments	<u>569,007</u>	<u>43,343</u>	-	<u>612,350</u>
Investment return:				
Interest and dividends	49,254	43,470	-	92,724
Net appreciation	<u>119,201</u>	<u>210,620</u>	-	<u>329,821</u>
Total investment return	168,455	254,090	-	422,545
Transfer prior year's accumulated investment depreciation from unrestricted back to a single fund	84,822	(84,822)	-	-
Endowment expenditures/distributions	<u>(58,555)</u>	<u>(371,861)</u>	-	<u>(430,416)</u>
<b>Endowment net assets at June 30, 2010</b>	838,496	1,892,136	1,166,718	3,897,350
Activity in fiscal year June 30, 2011				
Addition to endowments	<u>43,248</u>	<u>13,444</u>	-	<u>56,692</u>
Investment return:				
Interest and dividends	51,928	42,774	-	94,702
Net appreciation	<u>367,497</u>	<u>308,195</u>	-	<u>675,692</u>
Total investment return	419,425	350,969	-	770,394
Endowment expenditures/distributions	<u>(54,646)</u>	<u>(388,611)</u>	-	<u>(443,257)</u>
<b>Endowment net assets at June 30, 2011</b>	<u>\$ 1,246,523</u>	<u>\$ 1,867,938</u>	<u>\$ 1,166,718</u>	<u>\$ 4,281,179</u>

**UNITED WAY OF GREATER MILWAUKEE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2011 and 2010**

**NOTE 14 - SUBSEQUENT EVENTS**

Management evaluated subsequent events through October 25, 2011, the date the financial statements were available to be issued. Events or transactions occurring after June 30, 2011, but prior to October 25, 2011 that provide additional evidence about conditions that existed at June 30, 2011, have been recognized in the financial statements for the year ended June 30, 2011. Events or transactions that provided evidence about conditions that did not exist at June 30, 2011 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, 2011.

This information is an integral part of the accompanying financial statements.

**SUPPLEMENTAL INFORMATION**

**UNITED WAY OF GREATER MILWAUKEE, INC.**  
**SCHEDULES OF AGENCY DISTRIBUTIONS**  
**Years Ended June 30, 2011 and 2010**

This schedule reflects the allocations and designations to agencies during the fiscal years ended June 30, 2011 and 2010 by the United Way of Greater Milwaukee, Inc. Explanations of amounts in the various columns are as follows:

**Fiscal Year Ended June 30, 2011**

- Amounts in the “Undesignated Funds” column represent United Way of Greater Milwaukee, Inc. allocations of undesignated pledges received during the fall 2009 campaign, most of which were recognized in the fiscal year ended June 30, 2010 and distributed during the fiscal year ended June 30, 2011.
- Amounts in the “Donor Designated Funds” column represent pledges designated to particular agencies during the fiscal year ended June 30, 2011, which primarily reflects the 2010 community campaign.

**Fiscal Year Ended June 30, 2010**

- Amounts in the “Undesignated Funds” column represent United Way of Greater Milwaukee, Inc. allocations of undesignated pledges received during the fall 2008 campaign, most of which were recognized in the fiscal year ended June 30, 2009 and distributed during the fiscal year ended June 30, 2010.
- Amounts in the “Donor Designated Funds” column represent pledges designated to particular agencies during the fiscal year ended June 30, 2010, which primarily reflects the 2009 community campaign.

**UNITED WAY OF GREATER MILWAUKEE, INC.**  
**SCHEDULES OF AGENCY DISTRIBUTIONS**  
**Years Ended June 30, 2011 and 2010**

	<u>Fiscal Year Ended June 30, 2011</u>			<u>Fiscal Year Ended June 30, 2010</u>		
	<u>Donor</u>		<u>Total</u>	<u>Donor</u>		<u>Total</u>
	<u>Undesignated</u>	<u>Designated</u>		<u>Undesignated</u>	<u>Designated</u>	
	<u>Funds</u>	<u>Funds</u>		<u>Funds</u>	<u>Funds</u>	
<b>United Way Member Agencies:</b>						
Advocates of Ozaukee	\$ 71,846	\$ 30,073	\$ 101,919	\$ 60,346	\$ 33,503	\$ 93,849
AIDS Resource Center of Wisconsin	242,372	129,123	371,495	232,372	127,354	359,726
American Red Cross in Southeastern Wisconsin	830,000	172,732	1,002,732	850,000	159,373	1,009,373
Aurora Family Service	997,114	19,614	1,016,728	1,001,997	50,639	1,052,636
Aurora Visiting Nurse Association of Wisconsin	652,312	36,565	688,877	669,113	41,045	710,158
Badger Association of the Blind & Visually Impaired	38,828	82,956	121,784	39,203	50,108	89,311
Bay View Community Center	155,127	41,561	196,688	155,584	45,310	200,894
Big Brothers Big Sisters of Metropolitan Milwaukee	119,914	394,807	514,721	72,690	348,057	420,747
Big Brothers Big Sisters of Ozaukee County	29,388	40,807	70,195	18,647	21,619	40,266
Boy Scouts of America--Milwaukee County Council	683,206	195,004	878,210	676,792	207,722	884,514
Boys & Girls Clubs of Greater Milwaukee	1,341,814	1,542,828	2,884,642	1,402,388	1,646,952	3,049,341
Cathedral Center	70,718	48,521	119,239	52,645	52,217	104,862
Catholic Charities of the Archdiocese of Milwaukee	377,346	305,527	682,873	378,869	307,026	685,895
Center for Communication, Hearing and Deafness	192,045	49,536	241,581	192,045	55,823	247,868
Centro Legal	50,000	23,593	73,593	-	51,931	51,931
Child Development Center of St. Joseph	78,472	12,635	91,107	100,531	14,607	115,138
Children's Service Society of Wisconsin	306,761	59,434	366,195	304,636	51,405	356,041
COA Youth & Family Centers	499,539	263,216	762,755	547,469	263,037	810,506
Community Advocates	353,981	139,512	493,493	232,745	30,673	263,418
COPE Services	21,560	38,155	59,715	21,560	25,836	47,396
Council for the Spanish Speaking	145,000	19,853	164,853	120,796	18,068	138,864
Council on Alcohol & Other Drug Abuse of Washington County	41,714	8,309	50,023	41,714	6,341	48,055
Curative Care Network	908,390	39,342	947,732	908,390	41,140	949,530
Fondy Food Center	48,000	14,061	62,061	35,000	16,105	51,105
Friedens Community Ministries	55,139	10,068	65,207	42,188	8,350	50,538
Friends of Abused Families	10,647	24,640	35,287	11,207	18,103	29,310
Girl Scouts of Manitou Council	16,028	4,815	20,843	16,438	3,842	20,280
Girl Scouts of Wisconsin Southeast	564,821	74,769	639,590	555,372	71,894	627,266
Grand Avenue Club	43,152	75,953	119,105	31,821	65,212	97,033
Guest House of Milwaukee	77,750	60,490	138,240	35,000	47,277	82,277
Harry & Rose Samson Family Jewish Community Center	290,607	26,854	317,461	272,416	40,868	313,284

**UNITED WAY OF GREATER MILWAUKEE, INC.**  
**SCHEDULES OF AGENCY DISTRIBUTIONS**  
**Years Ended June 30, 2011 and 2010**

	<u>Fiscal Year Ended June 30, 2011</u>			<u>Fiscal Year Ended June 30, 2010</u>		
	<u>Donor</u>		<u>Total</u>	<u>Donor</u>		<u>Total</u>
	<u>Undesignated</u>	<u>Designated</u>		<u>Undesignated</u>	<u>Designated</u>	
	<u>Funds</u>	<u>Funds</u>		<u>Funds</u>	<u>Funds</u>	
<b>United Way Member Agencies:</b>						
Hmong American Friendship Association	\$ 80,490	\$ 5,182	\$ 85,672	\$ 83,771	\$ 4,921	\$ 88,692
Housing Resources	33,402	7,007	40,409	33,402	6,957	40,359
IMPACT Alcohol & Other Drug Abuse Services	673,965	34,570	708,535	663,965	36,048	700,013
IndependenceFirst	19,673	24,671	44,344	20,177	19,140	39,317
Interfaith Older Adult Programs	347,089	41,476	388,565	274,041	50,218	324,259
International Institute of Wisconsin	211,694	4,143	215,837	211,694	4,061	215,755
Jewish Family Services (Robert & Mimi Habush Family Center)	321,144	104,628	425,772	313,144	106,904	420,048
La Causa	107,064	116,500	223,564	105,124	110,906	216,030
Legal Aid Society of Milwaukee	184,052	72,592	256,644	184,052	59,338	243,390
Lutheran Social Services of Wisconsin & Upper Michigan	404,020	110,697	514,717	462,844	121,471	584,315
Mental Health America of Wisconsin	157,232	17,645	174,877	140,750	17,244	157,994
Meta House	213,305	125,514	338,819	116,613	72,119	188,732
Milwaukee Christian Center	269,427	23,352	292,779	244,378	26,723	271,101
Milwaukee LGBT Community Center	47,947	36,095	84,042	50,000	25,822	75,822
Milwaukee Urban League	336,446	78,203	414,649	345,073	60,365	405,438
Neighborhood House of Milwaukee	421,219	85,541	506,760	422,238	87,708	509,946
New Concept Self-Development Center	222,336	9,245	231,581	247,774	17,014	264,788
Next Door Foundation	65,922	281,031	346,953	67,858	278,476	346,334
Nonprofit Center of Milwaukee	164,183	10,048	174,231	162,535	6,873	169,408
Northcott Neighborhood House	112,459	22,228	134,687	115,146	25,479	140,625
Ozaukee Family Services	35,600	67,891	103,491	35,895	77,736	113,631
Parenting Network	178,912	35,643	214,555	331,448	23,229	354,677
Pathfinders	563,940	44,722	608,662	569,514	32,759	602,273
Penfield Children's Center	528,449	267,443	795,892	344,693	244,861	589,554
Portal Industries	10,478	40,553	51,031	10,578	32,202	42,780
Pregnancy Support Connection	25,877	3,327	29,204	26,207	8,519	34,726
Salvation Army	161,899	155,113	317,012	86,509	177,140	263,649
Silver Spring Neighborhood Center	493,201	118,836	612,037	554,201	105,418	659,619
Sixteenth Street Community Health Center	139,682	70,390	210,072	139,682	286,487	426,169
Social Development Commission	84,498	13,521	98,019	125,467	27,266	152,733
Sojourner Family Peace Center	202,578	231,667	434,245	192,690	231,076	423,766

**UNITED WAY OF GREATER MILWAUKEE, INC.**  
**SCHEDULES OF AGENCY DISTRIBUTIONS**  
**Years Ended June 30, 2011 and 2010**

	<u>Fiscal Year Ended June 30, 2011</u>			<u>Fiscal Year Ended June 30, 2010</u>		
	<u>Donor</u>		<u>Total</u>	<u>Donor</u>		<u>Total</u>
	<u>Undesignated</u>	<u>Designated</u>		<u>Undesignated</u>	<u>Designated</u>	
	<u>Funds</u>	<u>Funds</u>		<u>Funds</u>	<u>Funds</u>	
<b>United Way Member Agencies:</b>						
St. Elizabeth Ann Seton Dental Clinic	\$ 78,500	\$ 22,316	\$ 100,816	\$ 78,500	\$ 20,904	\$ 99,404
Starting Point of Ozaukee	24,699	8,942	33,641	25,332	11,267	36,599
United Community Center	598,506	138,875	737,381	690,706	114,153	804,859
Volunteer Center of Ozaukee County	18,679	7,190	25,869	19,662	6,556	26,218
Walker's Point Youth & Family Center	182,137	28,883	211,020	129,423	26,427	155,850
Wisconsin Community Services	477,496	4,963	482,459	472,496	6,138	478,634
YMCA of Metropolitan Milwaukee	595,668	457,715	1,053,383	637,498	466,961	1,104,459
Youth & Family Project	59,320	1,034	60,354	60,840	760	61,600
YWCA of Greater Milwaukee	577,405	36,728	614,133	590,905	37,053	627,958
Total United Way Member Agencies	18,744,184	6,951,474	25,695,658	18,466,799	6,996,132	25,462,931
<b>United Way in Waukesha County</b>	728,852	883,320	1,612,172	893,467	727,671	1,621,138
<b>Milwaukee County Labor Council</b>	229,748	-	229,748	235,248	-	235,248
<b>Non-Member Agencies</b>	1,274,036	11,749,906	13,023,942	1,654,582	10,735,682	12,390,264
<b>Total Distributions</b>	<u>\$ 20,976,820</u>	<u>\$ 19,584,700</u>	<u>\$ 40,561,520</u>	<u>\$ 21,250,096</u>	<u>\$ 18,459,485</u>	<u>\$ 39,709,581</u>

**UNITED WAY OF GREATER MILWAUKEE, INC.  
OPERATING EXPENSE RATIO CALCULATION  
Years Ended June 30, 2011 and 2010**

	<u>2011</u>	<u>2010</u>
<b>REVENUE</b>		
Total revenue as reported on Statement of Activities	\$ 30,731,641	\$ 29,442,919
Adjustments to total revenue:		
Add: Donor designated funds	19,584,700	18,459,485
Add: Gifts in kind	111,408	51,294
Add: Investment trustee fees reclassified from contra-income to expense	8,338	7,633
Less: Unrealized gains on investments	(1,627,145)	(993,384)
Less: Gifts in-kind	(505,624)	(521,872)
Less: Direct expenses reclassified from expense to contra-income	<u>(19,976)</u>	<u>(14,262)</u>
<b>Adjusted total revenue as reported on Part I, line 12 of IRS Form 990</b>	<u>\$ 48,283,342</u>	<u>\$ 46,431,813</u>
<b>EXPENSES</b>		
Management and general	1,392,773	1,444,050
Fundraising	3,736,002	3,770,378
Adjustments to total expenses:		
Add: Investment trustee fees reclassified from contra-income to expense	8,338	7,633
Less: Gifts in-kind	(505,624)	(521,872)
Less: Direct expenses reclassified from expense to contra-income	<u>(19,976)</u>	<u>(14,262)</u>
<b>Total expenses as reported on Part IX, line 25, columns C &amp; D of IRS Form 990</b>	<u>\$ 4,611,513</u>	<u>\$ 4,685,927</u>
<b>OPERATING EXPENSE RATIO</b>	<u><b>9.6%</b></u>	<u><b>10.1%</b></u>

**Note:**

The operating expense ratio reflected above has been calculated in conformity to standards adopted by the United Way Worldwide. United Way of Greater Milwaukee, Inc. receives sponsorship revenue to subsidize expenses associated with such activities as the campaign kickoff event, victory celebration, and day of caring. 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, 2011 and 2010 would have been 8.3% and 9.0%, respectively.