

**UNITED PERFORMING ARTS FUND, INC.**  
**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**  
**YEARS ENDED AUGUST 31, 2021 AND 2020**



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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
United Performing Arts Fund, Inc.  
Milwaukee, Wisconsin

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

We have audited the accompanying financial statements of United Performing Arts Fund, Inc., (a nonprofit organization) which comprise the statements of financial position as of August 31, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the 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.

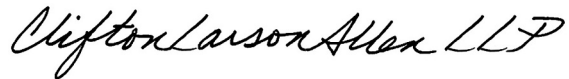
Board of Directors  
United Performing Arts Fund, Inc.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Performing Arts Fund, Inc., as of August 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Report on Supplementary Information**

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of allocations to member organizations and affiliates 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 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 audits 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**

Wauwatosa, Wisconsin  
November 22, 2021

**UNITED PERFORMING ARTS FUND, INC.  
STATEMENTS OF FINANCIAL POSITION  
AUGUST 31, 2021 AND 2020**

<b>ASSETS</b>	2021	2020
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 5,071,581	\$ 4,339,167
Investments, at Fair Value	2,117,033	1,850,033
Contributions Receivable, Net of Allowance	2,019,025	3,252,340
Government Grants Receivable	285,346	-
Other Receivables	2,426	-
Advance Payments to Member Groups	750,003	749,998
Prepaid Expenses	18,258	11,920
Total Current Assets	10,263,672	10,203,458
<b>LONG-TERM PORTION OF CONTRIBUTIONS RECEIVABLE, Net</b>	95,238	185,941
<b>BOARD-DESIGNATED INVESTMENT FUNDS</b>	4,032,116	3,318,257
<b>PROPERTY AND EQUIPMENT, Net</b>	-	3,168
Total Assets	\$ 14,391,026	\$ 13,710,824
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$ 58,252	\$ 53,981
Accrued Compensation and Related Benefits	191,032	193,002
Donor Designations Payable	1,789,915	1,239,136
Total Current Liabilities	2,039,199	1,486,119
<b>NET ASSETS</b>		
Without Donor Restrictions:		
Undesignated and Available for Future Operations	1,493,870	1,638,024
Reserved for Future Allocations to Member Groups and Affiliates	6,096,103	5,474,224
Board Designated	4,032,116	3,318,257
Total Without Donor Restrictions	11,622,089	10,430,505
With Donor Restrictions	729,738	1,794,200
Total Net Assets	12,351,827	12,224,705
Total Liabilities and Net Assets	\$ 14,391,026	\$ 13,710,824

See accompanying Notes to Financial Statements.

**UNITED PERFORMING ARTS FUND, INC.**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED AUGUST 31, 2021**

	<u>Without Donor Restrictions</u>		<u>With Donor Restrictions</u>	<u>Total</u>
	<u>Non-Board Designated</u>	<u>Board Designated</u>		
<b>REVENUE, SUPPORT, AND GAINS</b>				
Public Support:				
Gross Fundraising Contributions	\$ 8,958,104	\$ -	\$ 537,297	\$ 9,495,401
Less: Donor Designations	(1,396,407)	-	-	(1,396,407)
Less: Provision for Uncollectible Promises	(173,410)	-	-	(173,410)
Net Fundraising Contributions	<u>7,388,287</u>	<u>-</u>	<u>537,297</u>	<u>7,925,584</u>
Special Event Income, Net of Costs of Direct Benefits to Donors of \$122,689	383,646	-	-	383,646
Donated Services	<u>446,259</u>	<u>-</u>	<u>-</u>	<u>446,259</u>
Total Public Support	8,218,192	-	537,297	8,755,489
Nonoperating Revenue:				
Investment Return	1,131	980,859	-	981,990
Distribution from the Greater Milwaukee Foundation	<u>4,597</u>	<u>-</u>	<u>-</u>	<u>4,597</u>
Total Nonoperating Revenue	5,728	980,859	-	986,587
Government Grants	625,546	-	-	625,546
Appropriation for Expenditure	267,000	(267,000)	-	-
Net Assets Released from Restrictions	<u>1,601,759</u>	<u>-</u>	<u>(1,601,759)</u>	<u>-</u>
Total Revenue, Support, and Gains	<u>10,718,225</u>	<u>713,859</u>	<u>(1,064,462)</u>	<u>10,367,622</u>
<b>EXPENSES</b>				
Program Services:				
Allocations to Member Organizations and Affiliates	6,915,498	-	-	6,915,498
Other Member Support	469,145	-	-	469,145
Community Engagement	167,706	-	-	167,706
Awareness	<u>610,568</u>	<u>-</u>	<u>-</u>	<u>610,568</u>
Total Program Services	8,162,917	-	-	8,162,917
Supporting Services:				
Administrative Expenses	455,968	-	-	455,968
Fundraising	<u>1,621,615</u>	<u>-</u>	<u>-</u>	<u>1,621,615</u>
Total Supporting Services	<u>2,077,583</u>	<u>-</u>	<u>-</u>	<u>2,077,583</u>
Total Expenses	<u>10,240,500</u>	<u>-</u>	<u>-</u>	<u>10,240,500</u>
<b>CHANGE IN NET ASSETS</b>	477,725	713,859	(1,064,462)	127,122
Net Assets - Beginning of Year	<u>7,112,248</u>	<u>3,318,257</u>	<u>1,794,200</u>	<u>12,224,705</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 7,589,973</u>	<u>\$ 4,032,116</u>	<u>\$ 729,738</u>	<u>\$ 12,351,827</u>

See accompanying Notes to Financial Statements.

**UNITED PERFORMING ARTS FUND, INC.**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED AUGUST 31, 2020**

	Without Donor Restrictions		With Donor Restrictions	Total
	Non-Board Designated	Board Designated		
<b>REVENUE, SUPPORT, AND GAINS</b>				
Public Support:				
Gross Fundraising Contributions	\$ 9,251,056	\$ -	\$ 1,514,775	\$ 10,765,831
Less: Donor Designations	(1,652,272)	-	-	(1,652,272)
Less: Provision for Uncollectible Promises	(250,235)	-	-	(250,235)
Net Fundraising Contributions	7,348,549	-	1,514,775	8,863,324
Special Event Income, Net of Costs of Direct Benefits to Donors of \$50,846	357,933	-	-	357,933
Donated Services	216,574	-	-	216,574
Total Public Support	7,923,056	-	1,514,775	9,437,831
Nonoperating Revenue:				
Investment Return	7,210	708,747	-	715,957
Return on Beneficial Interest in Assets Held at Greater Milwaukee Foundation	-	-	7,635	7,635
Total Nonoperating Revenue	7,210	708,747	7,635	723,592
Government Grant	304,200	-	-	304,200
Appropriation for Expenditure	307,454	-	(307,454)	-
Allocations into Endowment Funds	(639,000)	639,000	-	-
Adjustment to Endowment Funds Identified with no Variance Power	-	-	(115,130)	(115,130)
Net Assets Released from Restrictions	1,057,365	-	(1,057,365)	-
Total Revenue, Support, and Gains	8,960,285	1,347,747	42,461	10,350,493
<b>EXPENSES</b>				
Program Services:				
Allocations to Member Organizations and Affiliates	7,084,296	-	-	7,084,296
Other Member Support	603,158	-	-	603,158
Community Engagement	124,064	-	-	124,064
Awareness	842,045	-	-	842,045
Total Program Services	8,653,563	-	-	8,653,563
Supporting Services:				
Administrative Expenses	459,602	-	-	459,602
Fundraising	1,310,966	-	-	1,310,966
Total Supporting Services	1,770,568	-	-	1,770,568
Total Expenses	10,424,131	-	-	10,424,131
<b>CHANGE IN NET ASSETS</b>	(1,463,846)	1,347,747	42,461	(73,638)
Net Assets - Beginning of Year	8,576,094	1,970,510	1,751,739	12,298,343
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 7,112,248</u>	<u>\$ 3,318,257</u>	<u>\$ 1,794,200</u>	<u>\$ 12,224,705</u>

See accompanying Notes to Financial Statements.

**UNITED PERFORMING ARTS FUND, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED AUGUST 31, 2021**

	Program Services			Supporting Services			Total
	Allocations and Other Member Support	Community Engagement	Awareness	Administrative	Fundraising	Direct Benefit to Donors	
Allocations to Member Organizations and Affiliates	\$ 6,915,498	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,915,498
Special Board-Approved Member Funding	250,000	-	-	-	-	-	250,000
Member Marketing Projects	32,000	-	-	-	-	-	32,000
Salaries and Other Personnel Costs	175,068	137,209	375,202	304,023	901,779	-	1,893,281
Insurance	1,369	1,693	2,791	3,481	7,387	4,314	21,035
Printing and Publications	-	1,576	-	-	-	-	1,576
Rent	7,835	9,691	15,976	19,927	42,290	-	95,719
Equipment Rental and Maintenance	496	613	1,011	1,261	2,676	29,279	35,336
Office Supplies	358	6,280	1,821	909	3,022	-	12,390
Postage and Shipping	1,479	1,830	3,016	3,762	7,985	8,983	27,055
Telephone	540	668	1,100	1,373	2,913	-	6,594
Hardware and Software Support	-	-	41,311	24,625	65,936	-	131,872
Telefunding	-	-	51,089	-	51,088	-	102,177
Promotion and Advertising	-	6,423	91,895	-	22,974	-	121,292
Events and Donor Benefits	-	-	3,268	81	1,962	33,618	38,929
Meals, Travel, and Food	-	-	2,612	2,868	1,267	983	7,730
Fees and Permits	-	-	-	64	-	2,334	2,398
Merchandise	-	-	-	-	-	23,031	23,031
Dues, Memberships, and Conferences	-	-	4,422	-	4,422	-	8,844
Professional Services	-	-	12,962	45,612	12,962	20,147	91,683
Bank, Credit Card, and Broker Commission Fees	-	-	-	44,814	44,814	-	89,628
Depreciation	-	-	-	3,168	-	-	3,168
Contributed Services:							
Media Coverage	-	-	-	-	262,060	-	262,060
Special Event	-	-	-	-	42,003	-	42,003
Creative Advertising and Public Relations	-	-	-	-	129,196	-	129,196
Loaned Executives	-	-	-	-	13,000	-	13,000
Miscellaneous	-	1,723	2,092	-	1,879	-	5,694
<b>Total Expenses</b>	<b>\$ 7,384,643</b>	<b>\$ 167,706</b>	<b>\$ 610,568</b>	<b>\$ 455,968</b>	<b>\$ 1,621,615</b>	<b>\$ 122,689</b>	<b>\$ 10,363,189</b>

See accompanying Notes to Financial Statements.



**UNITED PERFORMING ARTS FUND, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED AUGUST 31, 2020**

	Program Services			Supporting Services			Total
	Allocations and Other Member Support	Community Engagement	Awareness	Administrative	Fundraising	Direct Benefit to Donors	
Allocations to Member Organizations and Affiliates	\$ 7,084,296	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,084,296
Special Board-Approved Member Funding	250,000	-	-	-	-	-	250,000
Member Marketing Projects	161,364	-	-	-	-	-	161,364
Salaries and Other Personnel Costs	182,287	110,172	556,297	335,351	825,025	-	2,009,132
Insurance	1,071	1,099	4,588	2,884	6,346	411	16,399
Printing and Publications	-	2,470	-	-	-	-	2,470
Rent	5,859	6,010	25,090	15,775	34,706	-	87,440
Equipment Rental and Maintenance	594	823	2,544	1,599	3,519	-	9,079
Office Supplies	310	686	3,987	835	4,496	-	10,314
Postage and Shipping	1,321	1,355	5,455	2,948	7,827	-	18,906
Telephone	352	361	1,508	948	2,086	-	5,255
Hardware and Software Support	-	-	31,540	23,102	54,642	-	109,284
Telefunding	-	-	56,495	-	56,496	-	112,991
Promotion and Advertising	-	-	88,644	-	22,161	-	110,805
Events and Donor Benefits	-	-	32,169	175	1,558	22,322	56,224
Meals, Travel, and Food	-	417	5,661	2,784	2,365	200	11,427
Fees and Permits	-	-	-	64	-	68	132
Merchandise	-	-	-	-	-	15,777	15,777
Dues, Memberships, and Conferences	-	-	4,469	-	4,470	-	8,939
Professional Services	-	-	23,486	24,240	23,487	11,250	82,463
Bank, Credit Card, and Broker Commission Fees	-	-	-	45,096	45,096	-	90,192
Depreciation	-	-	-	3,801	-	-	3,801
Contributed Services:							
Media Coverage	-	-	-	-	69,111	-	69,111
Special Event	-	-	-	-	76,623	-	76,623
Creative Advertising and Public Relations	-	-	-	-	47,840	-	47,840
Interns	-	-	-	-	23,000	-	23,000
Miscellaneous	-	671	112	-	112	818	1,713
<b>Total Expenses</b>	<b>\$ 7,687,454</b>	<b>\$ 124,064</b>	<b>\$ 842,045</b>	<b>\$ 459,602</b>	<b>\$ 1,310,966</b>	<b>\$ 50,846</b>	<b>\$ 10,474,977</b>

See accompanying Notes to Financial Statements.

**UNITED PERFORMING ARTS FUND, INC.  
STATEMENTS OF CASH FLOWS  
YEARS ENDED AUGUST 31, 2021 AND 2020**

	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 127,122	\$ (73,638)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	3,168	3,801
Change in Discounts to Net Present Value	(9,297)	(13,616)
Adjustment to Endowment Funds	-	115,130
Realized (Gains) Losses on Investments, Including Mutual Fund Distributions	(387,267)	245,608
Unrealized Appreciation on Investments	(566,144)	(936,425)
Return on Beneficial Interest in Assets Held at Greater Milwaukee Foundation	-	(7,635)
Changes in Operating Assets and Liabilities:		
Contributions Receivable	1,333,315	(37,568)
Government Grants Receivable	(285,346)	-
Other Receivables	(2,426)	-
Advance Payments to Member Groups	(5)	200,001
Prepaid Expenses	(6,338)	5,137
Accounts Payable	4,271	(22,832)
Accrued Lease Payable	-	(7,984)
Accrued Compensation and Other Related Benefits	(1,970)	10,252
Donor Designations Payable	550,779	(20,403)
Net Cash Provided (Used) by Operating Activities	759,862	(540,172)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Distributions Received from Beneficial Interest in Assets Held at Greater Milwaukee Foundation	-	307,454
Purchase of Investments, Including Net Reinvestment of Income	(27,448)	(17,930)
Net Cash Provided (Used) by Investing Activities	(27,448)	289,524
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	732,414	(250,648)
Cash and Cash Equivalents - Beginning of Year	4,339,167	4,589,815
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 5,071,581	\$ 4,339,167

See accompanying Notes to Financial Statements.

**UNITED PERFORMING ARTS FUND, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2021 AND 2020**

**NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES**

**Organization**

United Performing Arts Fund, Inc. (UPAF) is a local, independent nonprofit agency that was formed to raise operating funds for its member organizations and affiliates. UPAF makes it possible for several nonprofit performing arts organizations in the greater Milwaukee area to meet their daily operating needs. Its mission statement is to "secure community resources and improve the quality of life through responsible investment in and financial support of the performing arts in southeastern Wisconsin."

Annual campaigns are conducted each year to raise campaign contributions that are used to support numerous performing arts organizations during the subsequent fiscal year and to pay UPAF's current operating expenses. For example, pledges that are not designated to specific member organizations from the 2021 annual campaign will fund allocations to member organizations and affiliates for the fiscal year beginning September 1, 2021. The amounts allocated to each member organization and affiliate are determined by a committee consisting of staff and members of the board of directors. These program allocations will be recorded as expenses during the fiscal year beginning September 1, 2021. Distribution of designated pledges by donors to both member and nonmember agencies may begin prior to the start of the fiscal year beginning September 1, 2021 and any unpaid amounts are recorded as donor designations payable in the statements of financial position.

**Basis of Accounting**

The financial statements of UPAF have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities with revenues and expenses reflected in the period earned or incurred.

**Basis of Presentation**

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets of \$4,032,116 and \$3,318,257 as of August 31, 2021 and 2020, respectively, as a board-designated endowment to be used as an operating reserve. UPAF separately designated \$6,096,103 and \$5,474,224 of net assets without donor restrictions as of August 31, 2021 and 2020, respectively, that will be used to fund future allocations to member groups and affiliates during the next fiscal year.

*Net Assets With Donor Restrictions* – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

**UNITED PERFORMING ARTS FUND, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2021 AND 2020**

**NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of Presentation (Continued)**

Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as Net Assets Released from Restrictions.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Cash and Cash Equivalents**

UPAF defines cash and cash equivalents as highly liquid debt instruments with a maturity at the date of acquisition of three months or less. Money market funds and cash deposits held by the investment firm are included within investments.

**Concentrations of Credit Risk**

UPAF maintains cash accounts at different financial institutions. Deposits with the financial institutions are insured by the Federal Deposit Insurance Corporation in the amount of \$250,000 per official custodian. UPAF's cash deposits may exceed these federally insured limits at times during the year. UPAF has not experienced any losses on these accounts and management believes UPAF is not exposed to any significant credit risk on its cash and cash equivalent balances.

**Valuation of Investments and Income Recognition**

UPAF's investments are recorded at fair value based upon quoted market prices, when available, or estimates of 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. Quoted market prices in active markets are used to value investments. Donated assets are recorded at fair value at the date of donation, or, if sold immediately after receipt, at the amount of sales proceeds received (which are considered a fair measure of the value at the date of donation).

Investment income or loss and unrealized gains or losses are included in the statements of activities as increases or decreases in net assets without donor restrictions unless the income or loss is restricted by donor or law.

**UNITED PERFORMING ARTS FUND, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2021 AND 2020**

**NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Risks and Uncertainties**

UPAF invests in various investment securities within its investments and endowment investments. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in these financial statements.

**Contributions Receivable**

General and donor-designated pledges to UPAF through the annual community campaign, less an allowance for uncollectible amounts, are recorded as receivables and gross campaign contributions in the year the unconditional promise is made. An allowance for uncollectible pledges is established based on the length of time pledges are past due, previous loss history, and the donor's current ability to pay. When amounts are determined to be uncollectible, they are charged to the allowance and recoveries of previously written off amounts replenish the allowance. Pledges receivable due beyond one year are recorded at fair value at the date of promise by computing a present value applied to the anticipated cash flows.

**Government Grants Receivable and Government Grants Income**

Grants from the government are recognized when all conditions of such grants are fulfilled or there is reasonable assurance that they will be fulfilled. As of August 31, 2021, UPAF complied with the conditions of the Employee Retention Credit (ERC) funding in the amount of \$285,346 in compliance with the program. Grants related to this program are classified as government grants and government grants receivable. In addition, government grants included \$340,200 and \$304,200 for the years ended August 31, 2021 and 2020, respectively, from the Paycheck Protection Program (the PPP Loan, see Note 10) for total government grants of \$625,546 and \$304,200 for the years ended August 31, 2021 and 2020, respectively.

**Property and Equipment**

Property and equipment are stated at cost if purchased or fair market value at date of the gift if donated. All acquisitions of equipment in excess of \$1,000 and all expenditures for improvements and betterments that materially prolong the useful lives of assets are capitalized. Maintenance, repairs, and minor improvements are expensed as incurred. When assets are retired or otherwise disposed of, their costs and related accumulated depreciation are removed from the accounts and resulting gains or losses are included in income. Property and equipment are depreciated using the straight-line method over their estimated useful lives.

Donated property and equipment is recorded as an increase in net assets without donor restrictions at its estimated fair market value as of the date received.

**UNITED PERFORMING ARTS FUND, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2021 AND 2020**

**NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Donor Designations Payable**

In certain limited situations, donors can specify their campaign contribution to a specific member group. These contributions are included in gross campaign contributions and then recorded as a direct reduction from gross campaign contributions in the year of designation and reported as donor designations payable. These amounts are typically paid with the board of directors approved allocation payments over a 12-month period beginning in July of each year.

**Revenue Recognition**

Contributions, including promises receivable, are recognized in the period received. Conditional promises are not recognized until they become unconditional, that is when the conditions on which they depend are substantially met. When contributions raised are designated by donors to be distributed to specific member organizations, UPAF acts as an agent and these contributions are considered agency transactions, and as such, are not included in net campaign contributions.

UPAF reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Periodically, contributions and net asset classifications are reviewed to determine that all restrictions are documented and being followed, as a result changes may need to be made to classifications to better reflect the donor's intent.

Special event revenue is recognized when performance obligations are met. Special event revenues reported in the statements of activities include both contributions (nonreciprocal transactions) and exchange (reciprocal) transactions. For the years ended August 31, 2021 and 2020, special event revenue included \$123,781 and \$117,226, respectively, of exchange transactions. Such revenue is recognized over time, as all performance obligations are met when the events occur. Costs of direct benefits to donors for incidental activities are netted against special event revenue. Such costs totaled \$122,689 and \$50,846 for the years ended August 31, 2021 and 2020, respectively.

**Donated Services**

Contributions of services are recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Such services totaled \$446,259 and \$216,574 for the years ended August 31, 2021 and 2020, respectively, and are reflected as public support and expenses on the statements of activities. Donated services are comprised of media coverage, creative advertising, public relations, print services, and fundraising research.

**UNITED PERFORMING ARTS FUND, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2021 AND 2020**

**NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Allocations to Member Organizations and Affiliates**

Allocations to member organizations and affiliates are recorded as an expense in the year the allocations are determined and approved by the board of directors and the member organizations and affiliates have been notified of the awards. Current fiscal year allocations are based on the level of campaign pledges received during the previous fiscal year. UPAF makes ratable allocation payments over a 12-month period beginning in July of each year. Estimated payments begin in July and August of the current year for the next fiscal year and these payments are recorded as advance payments to member groups in the statements of financial position.

**Promotion and Advertising Costs**

UPAF expenses the costs of producing advertisements as incurred. UPAF expenses the costs of communicating advertisements as the items or services are received. Promotion and advertising expenses for the years ended August 31, 2021 and 2020 were \$121,292 and \$110,805, respectively.

**Tax-Exempt Status**

UPAF is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, UPAF qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a). UPAF is also exempt from Wisconsin income taxes.

**Functional Expense Allocation**

UPAF classifies expenses into two functions: program services and supporting services. In the accompanying statements of functional expenses, all expenses are allocated based upon the functions to which they relate. Expenses that can be identified with a specific function are allocated directly according to their natural expenditure classification. Other expenses that are common to several functions are allocated by management's use of estimated time spent on the respective program and support functions.

**Upcoming Accounting Pronouncement**

In February 2016, FASB issued ASU 2016-02, *Leases (Topic 842)*, which is expected to increase transparency and comparability among organizations. The core principle of this guidance is that a lessee should recognize the assets and liabilities that arise from leases. The standard requires lessees to reflect most leases on their balance sheet as lease liabilities with a corresponding right-of-use asset, while leaving presentation of lease expense in the statement of income largely unchanged.

In June 2020, the FASB approved the delay of the effective date of ASU 2016-02 which is now effective for UPAF's year ending August 31, 2023. Management is currently evaluating the impact of ASU 2016-02 on UPAF's financial statements.

**Subsequent Events**

UPAF has evaluated events and transactions for potential recognition and disclosure in the financial statements through November 22, 2021, the date on which the financial statements were available to be issued.

**UNITED PERFORMING ARTS FUND, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2021 AND 2020**

**NOTE 2 LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

	2021	2020
Total Financial Assets Available Within One Year:		
Cash and Cash Equivalents	\$ 5,071,581	\$ 4,339,167
Investments, Current Portion	2,117,033	1,850,033
Current Portion of Contributions Receivable, Net of Allowance	2,019,025	3,252,340
Government Grants Receivable	285,346	-
Other Receivables	2,426	-
Total	9,495,411	9,441,540
Less: Amounts Not Available for General Expenditures Within One Year Due to:		
Donor Designations Payable	1,789,915	1,239,136
Allocated to Member Groups and Affiliates, Net of Advance Payments to Member Groups	5,346,100	4,724,226
Donor Restricted to Current Portion of Time or Purpose Restrictions	634,500	1,608,259
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	\$ 1,724,896	\$ 1,869,919

UPAF has established board-designated investment funds in the amount of \$4,032,116 and \$3,318,257 as of August 31, 2021 and 2020, respectively, and are subject to use as determined by the board of directors. Although UPAF does not intend to spend from these board-designated funds for general expenditure within one year, these amounts could be made available if necessary.

As part of the UPAF's liquidity management plan, they invest cash in excess of daily requirements in money market funds. The board will designate certain of its net assets without donor restrictions to be used to fund future allocations to member groups and affiliates during the next fiscal year.



**UNITED PERFORMING ARTS FUND, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2021 AND 2020**

**NOTE 3 CONTRIBUTIONS RECEIVABLE**

Outstanding contributions receivable are expected to be realized as follows as of August 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Less Than One Year	\$ 2,369,025	\$ 3,602,340
One to Five Years	100,000	200,000
Total	<u>2,469,025</u>	<u>3,802,340</u>
Less: Discount to Present Value	(4,762)	(14,059)
Less: Allowance for Uncollectible Pledges	<u>(350,000)</u>	<u>(350,000)</u>
Net Contributions Receivable	2,114,263	3,438,281
Less: Current Portion of Contributions Receivable	<u>2,019,025</u>	<u>3,252,340</u>
Long-Term Portion of Contributions Receivable	<u>\$ 95,238</u>	<u>\$ 185,941</u>

Estimated cash flows from pledges receivable have been discounted to present value as of August 31, 2021 and 2020 using a discount rate of 5% which was based on the expected rate of return on UPAF's investments.

**NOTE 4 INVESTMENTS**

Investments are reported at fair value and are summarized by type of investment as of August 31, 2021 and 2020 as follows:

	<u>Cost or Gift Value</u>	<u>Fair Value</u>	<u>Unrealized Appreciation (Depreciation)</u>
<u>August 31, 2021</u>			
Bond Mutual Funds	\$ 1,183,007	\$ 1,239,754	\$ 56,747
Equity Mutual Funds	1,973,123	3,783,906	1,810,783
Money Market Fund	1,125,489	1,125,489	-
Total Investments	<u>\$ 4,281,619</u>	<u>\$ 6,149,149</u>	<u>\$ 1,867,530</u>
<u>August 31, 2020</u>			
Bond Mutual Funds	\$ 1,015,972	\$ 1,110,690	\$ 94,718
Equity Mutual Funds	2,482,699	3,689,367	1,206,668
Money Market Fund	368,233	368,233	-
Total Investments	<u>\$ 3,866,904</u>	<u>\$ 5,168,290</u>	<u>\$ 1,301,386</u>

**UNITED PERFORMING ARTS FUND, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2021 AND 2020**

**NOTE 4 INVESTMENTS (CONTINUED)**

Investments are classified in the accompanying statements of financial position as of August 31, 2021 and 2020 as follows:

	<u>2021</u>	<u>2020</u>
Current Assets:		
With Donor Restrictions	\$ 6,500	\$ 8,485
Without Donor Restrictions	2,110,533	1,841,548
Total	<u>2,117,033</u>	<u>1,850,033</u>
Noncurrent Assets:		
Board-Designated	4,032,116	3,318,257
Total Investments	<u>\$ 6,149,149</u>	<u>\$ 5,168,290</u>

Return on investments as reported in the statements of activities for the years ended August 31, 2021 and 2020 is summarized as follows:

	<u>2021</u>	<u>2020</u>
Interest and Dividend Income	\$ 48,934	\$ 34,889
Net Realized Gains (Losses) on Investments, Including Mutual Fund Distributions	387,267	(245,608)
Net Unrealized Appreciation on Investments	566,144	936,425
Investment Fees	<u>(20,355)</u>	<u>(9,749)</u>
Total Return of Investments	<u>\$ 981,990</u>	<u>\$ 715,957</u>

**NOTE 5 GREATER MILWAUKEE FOUNDATION ENDOWMENT FUND**

UPAF is a beneficiary of an endowment fund (GMFEF) held and managed at the Greater Milwaukee Foundation (the Foundation) which was established in 1976 for the sole benefit of UPAF. A trust agreement pertaining to the management of this fund permits distributions available for current operations to UPAF according to the distribution policy. In prior years and under certain circumstances, additional distributions from the GMFEF's board designated principal and accumulated earnings to UPAF were requested or given to member organizations at the discretion of the UPAF board of directors with final approval from the Foundation trustees. During the year ended August 31, 2020, the total amount of applicable board designated funds within the GMFEF that were available for distribution were fully liquidated and given to member organizations.

The GMFEF was established by prior permanently restricted donations to provide support for UPAF's mission. These funds were the legal assets of the Foundation with the restriction that the Foundation make distributions to UPAF from the earnings of these funds on an annual basis. These funds remain at the Foundation for the benefit of UPAF but are not reported as a beneficial interest in the assets held at the Foundation. It was previously understood that the agreement governing these assets included a variance power allowing the board of trustees of the Foundation to modify any restrictions or conditions on the distributions of funds from the GMFEF.

**UNITED PERFORMING ARTS FUND, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2021 AND 2020**

**NOTE 5 GREATER MILWAUKEE FOUNDATION ENDOWMENT FUND (CONTINUED)**

It was subsequently determined during fiscal year 2020 that permanently restricted funds of \$115,130 held by the Foundation do not have variance power which do not allow for corpus distributions and have been removed as assets of UPAF.

The current amount of funds held by GMFEF for the benefit of UPAF are \$145,640 and \$119,204 as of August 31, 2021 and 2020, respectively. Distributions from GMFEF were \$4,597 and \$7,960 during the years ended August 31, 2021 and 2020, respectively.

The Foundation governs the investment policies and objectives for the GMFEF funds which are to preserve principal and to maintain the purchasing power as well as to provide additional real growth through investment return. GMFEF investments consisted of equity and bond mutual funds which are all recorded at fair value. Distributions from the GMFEF are in accordance with the distribution policy which was based on an annual distribution amount that is calculated to be 4.5% or less of the average market value of the fund over the prior 20 quarters.

**NOTE 6 BOARD DESIGNATED INVESTMENT FUNDS**

In 1999, a board-designated investment fund (Fund) was also established to ensure continued success of UPAF by providing a reserve for future critical needs. The Fund was designated by the board of directors to function as a quasi-endowment fund with no donor-imposed restrictions. The Fund is owned by UPAF and investments are comprised of money market accounts, and equity and fixed income mutual funds which are all recorded at fair value.

UPAF's current policy is that any bequests and other noncampaign-related unrestricted contributions received by UPAF will be allocated to the Fund. Other funds may be allocated to the Fund at the discretion of the UPAF board of directors and accumulated investment returns on all investments owned by UPAF are also retained and allocated to the Fund.

UPAF has adopted an investment policy for the Fund with the objective to achieve investment returns that are viewed in a long-term context, on a five-year annualized basis. The investment policy is to obtain the highest possible total return while maintaining a prudently acceptable level of risk and maximizing income to satisfy the needs of the Fund. In order to meet its needs, the investment strategy of the Fund is to emphasize total return with aggregate returns from capital appreciation and dividend and interest income. Assets are to be invested in a well-diversified asset mix, with a target of 70% for equity funds and 30% of fixed income and cash.

Investment risk is measured in terms of the total Fund, investment assets and allocation between asset classes and strategies are reviewed by management to not expose the funds to unacceptable levels of risk. Distributions from the Fund can only be appropriated upon the approval of the UPAF board of directors as needed.

**UNITED PERFORMING ARTS FUND, INC.  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2021 AND 2020**

**NOTE 6 BOARD DESIGNATED INVESTMENT FUNDS (CONTINUED)**

The changes in the board designated net assets for the years ended August 31, 2021 and 2020 are as follows:

	Board Designated	GMFEF Funds	Total
<u>August 31, 2021</u>			
Endowment Investments - Beginning of Year	\$ 3,318,257	\$ -	\$ 3,318,257
Investment Return:			
Interest Income	47,803	-	47,803
Net Realized and Unrealized Appreciation (Depreciation)	953,411	-	953,411
Administrative Fees	<u>(20,355)</u>	-	<u>(20,355)</u>
Total Investment Return	980,859	-	980,859
Appropriations for Expenditure	<u>(267,000)</u>	-	<u>(267,000)</u>
Endowment Investments - End of Year	<u>\$ 4,032,116</u>	<u>\$ -</u>	<u>\$ 4,032,116</u>

The board of directors approved the release of board designated funds from the Fund for special funding awarded to and requested by a member organization totaling \$250,000 and an appropriation of \$17,000 to be used for a special survey project during the year ended August 31, 2021.

	Board Designated	GMFEF Funds	Total
<u>August 31, 2020</u>			
Endowment Investments - Beginning of Year	\$ 1,970,510	\$ 414,949	\$ 2,385,459
Investment Return:			
Interest Income	27,679	2,503	30,182
Net Realized and Unrealized Appreciation (Depreciation)	690,817	6,751	697,568
Administrative Fees	<u>(9,749)</u>	<u>(1,619)</u>	<u>(11,368)</u>
Total Investment Return	708,747	7,635	716,382
Allocations into Endowment Funds	639,000	-	639,000
Adjustment to Endowment Funds			
Identified with no Variance Power	-	(115,130)	(115,130)
Appropriations for Expenditure	<u>-</u>	<u>(307,454)</u>	<u>(307,454)</u>
Endowment Investments - End of Year	<u>\$ 3,318,257</u>	<u>\$ -</u>	<u>\$ 3,318,257</u>

The board of directors approved the release of board designated funds in the GMFEF fund during the year ended August 31, 2020 for special funding awarded to and requested by member organizations for the remaining balance of \$307,454, which completed an initiative to liquidate the entire board designated balance within the GMFEF account. As noted in Note 5 and upon final review of the liquidation of the GMFEF, the Foundation determined that \$115,130 was permanently restricted by certain donors and therefore these funds including accumulated and retained earnings remain under the control of the Foundation. These funds are not available for distribution to UPAF except through annual distributions of earnings; and therefore, an adjustment was made to remove these assets (beneficial interest in assets held at the Greater Milwaukee Foundation) from the financial statements during fiscal year 2020.

**UNITED PERFORMING ARTS FUND, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2021 AND 2020**

**NOTE 7 FAIR VALUE MEASUREMENTS**

UPAF reports its fair value measures using a three-level hierarchy that prioritizes the inputs 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) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy that determines fair value are described below:

*Level 1* – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that UPAF 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. The following is a description of the methodologies used for investments reported at fair value:

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

The preceding valuation methodologies may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although UPAF believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

**UNITED PERFORMING ARTS FUND, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2021 AND 2020**

**NOTE 7 FAIR VALUE MEASUREMENTS (CONTINUED)**

The following tables provide by level, within the fair value hierarchy, UPAF's investment assets as of August 31, 2021 and 2020:

	2021			Total
	Level 1	Level 2	Level 3	
Investments, at Fair Value:				
Bond Mutual Funds	\$ 1,239,754	\$ -	\$ -	\$ 1,239,754
Equity Mutual Funds:				
Small-Cap Funds	563,612	-	-	563,612
Mid-Cap Funds	479,221	-	-	479,221
Large-Cap Funds	1,842,976	-	-	1,842,976
International	561,744	-	-	561,744
Emerging Markets Funds	336,353	-	-	336,353
Short-Term Cash Investment	-	-	-	1,125,489
Total Investments at Fair Value	<u>\$ 5,023,660</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,149,149</u>

	2020			Total
	Level 1	Level 2	Level 3	
Investments, at Fair Value:				
Bond Mutual Funds	\$ 1,110,690	\$ -	\$ -	\$ 1,110,690
Equity Mutual Funds:				
Small-Cap Funds	565,496	-	-	565,496
Mid-Cap Funds	449,873	-	-	449,873
Large-Cap Funds	1,702,471	-	-	1,702,471
International	593,557	-	-	593,557
Emerging Markets Funds	377,970	-	-	377,970
Money Market Funds	368,233	-	-	368,233
Total Investments at Fair Value	<u>\$ 5,168,290</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,168,290</u>

The following table sets forth a summary of changes in the fair value of UPAF's Level 3 investment assets for the year ended August 31, 2020:

Beneficial Interest in Assets Held at the Foundation -	
Beginning of Year	\$ 414,949
Interest Income	2,503
Net Realized and Unrealized Appreciation	6,751
Administrative Fees	(1,619)
Adjustment to Endowment Funds	
Identified with no Variance Power	(115,130)
Appropriations for Expenditure	(307,454)
Beneficial Interest in Assets Held at the Foundation -	
End of Year	<u>\$ -</u>

**UNITED PERFORMING ARTS FUND, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2021 AND 2020**

**NOTE 8 PROPERTY AND EQUIPMENT**

The major categories of property and equipment are summarized as follows at August 31:

	Depreciable Lives	2021	2020
Computer Equipment and Software	3 to 5 Years	\$ 90,212	\$ 90,212
Less: Accumulated Depreciation		90,212	87,044
Property and Equipment, Net		\$ -	\$ 3,168

Depreciation expense for the years ended August 31, 2021 and 2020 totaled \$3,168 and \$3,801, respectively.

**NOTE 9 LINE OF CREDIT**

As of August 31, 2021 and 2020, UPAF has an unsecured revolving line of credit agreement with a bank that allows UPAF to borrow up to \$750,000 at an interest rate of 2% over the one-month London Interbank Offered Rate (LIBOR). The interest rates in effect as of August 31, 2021 and 2020 were 2.08% and 2.16%, respectively. The agreement has no expiration and there were no outstanding borrowings under the line of credit as of August 31, 2021 and 2020.

**NOTE 10 PAYCHECK PROTECTION PROGRAM**

On April 16, 2020, UPAF received Federal proceeds in the amount of \$304,200 to fund payroll, rent and utilities through the PPP Loan. The PPP Loan may be forgiven by the U.S. Small Business Administration (SBA) subject to certain performance barriers, as outline in the loan agreement and the CARES Act. Therefore, UPAF has accounted for this loan as a conditional grant for accounting purposes. UPAF recognized \$304,200 of government grant revenue related to this agreement during the year ended August 31, 2020, which represents the portion of the PPP loan funds for which the performance barriers were met. Payment of principal and interest is deferred until the date on which the amount of forgiveness is remitted to the lender. The SBA had formally forgiven UPAF's obligation under this PPP loan on April 21, 2021.

On February 8, 2021, UPAF received a second PPP loan in the amount of \$340,200 to fund payroll and utilities and the terms of this loan remain the same as the loan noted above. Management also anticipates that full forgiveness of this loan will be approved based on meeting the performance barriers; and therefore, UPAF recognized \$340,200 as government grant revenue related to this agreement during the year ended August 31, 2021.

The SBA may review funding eligibility and usage of funds for compliance with program requirements based on dollar thresholds and other factors. The amount of liability, if any, from potential noncompliance cannot be determined with certainty; however, management is of the opinion that any review will not have a material adverse impact on the Organization's financial position.

**UNITED PERFORMING ARTS FUND, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2021 AND 2020**

**NOTE 11 OPERATING LEASE**

Beginning January 1, 2013, UPAF had entered into a long-term noncancelable operating lease for office space that expired on June 30, 2020. The building lease contained renewal options for two additional five-year periods. UPAF exercised the first of the five year renewal which now expires on June 30, 2025. Lease expense on UPAF's office space was recognized on the straight-line basis over the original term of the lease. The difference between the expense amount recorded and the cumulative actual lease payments paid was recognized as a liability on the statement of financial position as of August 31, 2019. Rent expense on the office space operating lease was \$88,248 and \$80,020 for the years ended August 31, 2021 and 2020, respectively.

The future minimum annual rental commitment remaining under this operating lease as of August 31, 2021 is as follows:

<u>Years Ending August 31,</u>	<u>Amount</u>
2022	\$ 90,785
2023	92,597
2024	94,446
2025	80,174
Total	<u>\$ 358,002</u>

**NOTE 12 RELATED PARTIES**

Members of the board of directors of UPAF typically make contributions to the various campaigns of UPAF. UPAF received pledges from members of the board of directors and the total amount that remains a receivable as of August 31, 2021 and 2020 is \$16,500 and \$13,150, respectively. The board of directors may also be employees of organizations with which UPAF conducts business. All business transactions involving the board of directors, their employers and other related parties occur at arm's length and the applicable board members abstain from voting on any business transactions that involve potential conflicts of interest.

**NOTE 13 RETIREMENT PLAN**

UPAF has a 403(b) defined contribution retirement savings plan covering all eligible employees. UPAF makes discretionary contributions to the plan in amounts determined annually. For the years ended August 31, 2021 and 2020, eligible employees received contributions from UPAF of 3% of their gross earnings and up to an additional 2% match for eligible employees that contributed up to 2% of their salary into the plan. Retirement plan expense for the years ended August 31, 2021 and 2020 was \$67,598 and \$47,625, respectively.



**UNITED PERFORMING ARTS FUND, INC.  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2021 AND 2020**

**NOTE 14 NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are restricted for the following purposes or periods.

	2021	2020
Contributions Received and Restricted to Use for Future Years (Held in Investments)	\$ 6,500	\$ 8,485
Contributions Restricted for UPAF Programs:		
Bright Minds Arts Education	238,000	522,500
Kasey's Fund (Outreach and education)	85,000	719,774
UPAF Connect (Awareness)	185,000	189,500
Contributions Receivable Restricted to Time	215,238	353,941
Total Net Assets With Donor Restrictions	\$ 729,738	\$ 1,794,200

**NOTE 15 PROGRAMS**

UPAF's primary purpose is to collectively raise operating funds from its annual campaign and other fund raising events for the benefit of all of its member organizations and affiliates. In addition to supporting these member organizations and affiliates with the allocation and distributions of available financial resources, UPAF also exists to provide the following services for the general benefit of the performing arts:

**Community Engagement** – Annually, UPAF hosts community events to bring people and communities together and bridge cultural divides in celebration of the impact the performing arts makes in southeastern Wisconsin.

**Awareness** – Through fundraising campaigns, community events, and opportunities to increase access to the performing arts for all, UPAF strives to generate a greater awareness of the local arts industry sector and non-profit performing arts member organizations as well as seeks to continuously educate the general public as to the benefits of and importance in growing and maintaining a healthy, robust, local performing arts community.

**UNITED PERFORMING ARTS FUND, INC.**  
**SCHEDULES OF ALLOCATIONS TO MEMBER ORGANIZATIONS AND AFFILIATES**  
**YEARS ENDED AUGUST 31, 2021 AND 2020**  
(SEE INDEPENDENT AUDITORS' REPORT)

	2021	2020
Member Organizations:		
Bel Canto Chorus of Milwaukee, Inc.	\$ 46,010	\$ 43,379
Black Arts MKE	69,050	-
Danceworks, Inc.	196,861	176,524
First Stage Milwaukee, Inc.	930,577	941,016
Florentine Opera Company, Inc.	772,925	777,729
Milwaukee Ballet Company, Inc.	1,240,972	1,059,647
Milwaukee Chamber Theatre, Ltd.	163,623	156,504
Milwaukee Children's Choir	14,484	31,620
Milwaukee Repertory Theater, Inc.	1,761,099	1,805,124
Milwaukee Symphony Orchestra, Inc.	1,877,448	2,360,843
Milwaukee Youth Symphony Orchestra, Inc.	378,416	389,422
Next Act Theatre, Inc.	146,332	138,100
Present Music, Inc.	137,856	68,217
Renaissance Theaterworks, Inc.	125,047	153,151
Skylight Music Theatre Corporation	587,570	543,042
Total Allocations to Member Organizations	8,448,270	8,644,318
Affiliates	131,730	175,682
Total Allocations to Member Organizations and Affiliates	\$ 8,580,000	\$ 8,820,000
Donor Designations Directed to Member Organizations	\$ 1,652,272	\$ 1,697,006
Donor Designations Directed to UPAF Programs	1,431,774	828,500
UPAF Allocations	5,495,954	6,294,494
Total	\$ 8,580,000	\$ 8,820,000