

UNITED PERFORMING ARTS FUND, INC.
**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**
YEARS ENDED AUGUST 31, 2019 AND 2018



CLAconnect.com

WEALTH ADVISORY
OUTSOURCING
AUDIT, TAX, AND
CONSULTING

**UNITED PERFORMING ARTS FUND, INC.
TABLE OF CONTENTS
YEARS ENDED AUGUST 31, 2019 AND 2018**

INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
STATEMENTS OF FINANCIAL POSITION	3
STATEMENTS OF ACTIVITIES	4
STATEMENTS OF FUNCTIONAL EXPENSES	6
STATEMENTS OF CASH FLOWS	8
NOTES TO FINANCIAL STATEMENTS	9
SUPPLEMENTARY INFORMATION	
SCHEDULES OF ALLOCATIONS TO MEMBER ORGANIZATIONS AND AFFILIATES	24



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., which comprise the statement of financial position as of August 31, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the 2019 financial statements referred to above present fairly, in all material respects, the financial position of United Performing Arts Fund, Inc., as of August 31, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter Regarding a Change in Accounting Principle

As discussed in Note 1 to the financial statements, management adopted Accounting Standards Update No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. The update changes the presentation of various classifications and disclosures within the financial statements. Our opinion is not modified with respect to that matter.

Other Matter

The 2018 financial statements were audited by Schenck SC, whose practice became part of CliftonLarsonAllen LLP as of January 1, 2019, and whose report dated November 20, 2018, expressed an unmodified opinion on those statements.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The 2019 schedule 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 audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The 2018 schedule of allocations to member organizations and affiliates was subjected to the auditing procedures applied in the 2018 audit of the basic financial statements by Schenck SC, whose report on such information stated that it was fairly stated in all material respects to the 2018 financial statements as a whole.



CliftonLarsonAllen LLP

Milwaukee, Wisconsin
December 9, 2019

UNITED PERFORMING ARTS FUND, INC.
STATEMENTS OF FINANCIAL POSITION
AUGUST 31, 2019 AND 2018

ASSETS	2019	2018
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 4,589,815	\$ 4,670,272
Investments, at Fair Value	2,489,033	2,155,033
Contributions Receivable, Net of Allowance	3,114,772	3,382,871
Advance Payments to Member Groups	949,999	950,000
Prepaid Expenses	17,057	11,328
Total Current Assets	11,160,676	11,169,504
LONG-TERM PORTION OF CONTRIBUTIONS RECEIVABLE, Net	272,325	357,098
PROPERTY AND EQUIPMENT, Net	6,969	11,914
ENDOWMENT FUNDS		
Board Designated, 21st Century Fund	1,970,510	1,749,681
Beneficial Interest in Assets Held at the Greater Milwaukee Foundation	414,949	1,099,688
Total Endowment Funds	2,385,459	2,849,369
Total Assets	\$ 13,825,429	\$ 14,387,885
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 76,813	\$ 46,217
Accrued Lease Payable	7,984	15,969
Accrued Compensation and Related Benefits	182,750	231,619
Donor Designations Payable	1,259,539	1,381,910
Total Current Liabilities	1,527,086	1,675,715
NET ASSETS		
Without Donor Restrictions:		
Undesignated and Available for Future Operations	2,343,283	2,285,308
Reserved for Future Allocations to Member Groups and Affiliates	6,232,811	6,285,817
Board Designated, 21st Century Fund	1,970,510	1,749,681
Total Without Donor Restrictions	10,546,604	10,320,806
With Donor Restrictions	1,751,739	2,391,364
Total Net Assets	12,298,343	12,712,170
Total Liabilities and Net Assets	\$ 13,825,429	\$ 14,387,885

See accompanying Notes to Financial Statements.

UNITED PERFORMING ARTS FUND, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED AUGUST 31, 2019

	Without Donor Restrictions		With Donor Restrictions	Total
	Non-Board Designated	Board Designated		
REVENUE, SUPPORT, AND GAINS				
Public Support:				
Gross Campaign Contributions	\$ 10,270,407	\$ -	\$ 974,494	\$ 11,244,901
Less: Donor Designations	(1,682,006)	-	-	(1,682,006)
Less: Provision for Uncollectible Promises	(256,856)	-	-	(256,856)
Net Campaign Contributions	8,331,545	-	974,494	9,306,039
Special Event Income	625,977	-	-	625,977
Donated Services	517,866	-	-	517,866
Total Public Support	9,475,388	-	974,494	10,449,882
Nonoperating Revenue:				
Investment Return	10,652	254,829	-	265,481
Net Return on Beneficial Interest in Assets Held at Greater Milwaukee Foundation	-	-	(6,514)	(6,514)
Total Nonoperating Revenue	10,652	254,829	(6,514)	258,967
Appropriation for Expenditure	712,225	(34,000)	(678,225)	-
Net Assets Released from Restrictions	929,380	-	(929,380)	-
Total Revenue, Support, and Gains	11,127,645	220,829	(639,625)	10,708,849
EXPENSES				
Program Services:				
Allocations to Member Organizations and Affiliates	7,171,500	-	-	7,171,500
Other Member Support	821,585	-	-	821,585
Community Engagement	242,636	-	-	242,636
Awareness	1,136,883	-	-	1,136,883
Total Program Services	9,372,604	-	-	9,372,604
Supporting Services:				
Administrative Expenses	368,936	-	-	368,936
Fundraising	1,381,136	-	-	1,381,136
Total Supporting Services	1,750,072	-	-	1,750,072
Total Expenses	11,122,676	-	-	11,122,676
CHANGE IN NET ASSETS	4,969	220,829	(639,625)	(413,827)
Net Assets - Beginning of Year	8,571,125	1,749,681	2,391,364	12,712,170
NET ASSETS - END OF YEAR	<u>\$ 8,576,094</u>	<u>\$ 1,970,510</u>	<u>\$ 1,751,739</u>	<u>\$ 12,298,343</u>

See accompanying Notes to Financial Statements.

UNITED PERFORMING ARTS FUND, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED AUGUST 31, 2018

	Without Donor Restrictions		With Donor Restrictions	Total
	Non-Board Designated	Board Designated		
REVENUE, SUPPORT, AND GAINS				
Public Support:				
Gross Campaign Contributions	\$ 10,506,355	\$ -	\$ 850,729	\$ 11,357,084
Less: Donor Designations	(1,897,268)	-	-	(1,897,268)
Less: Provision for Uncollectible Promises	(266,035)	-	-	(266,035)
Net Campaign Contributions	8,343,052	-	850,729	9,193,781
Special Event Income	587,352	-	-	587,352
Donated Services	371,412	-	-	371,412
Total Public Support	9,301,816	-	850,729	10,152,545
Nonoperating Revenue:				
Investment Return	4,079	411,858	-	415,937
Return on Beneficial Interest in Assets Held at Greater Milwaukee Foundation	-	-	91,659	91,659
Total Nonoperating Revenue	4,079	411,858	91,659	507,596
Appropriation for Expenditure	891,031	(855,000)	(36,031)	-
Net Assets Released from Restrictions	789,894	-	(789,894)	-
Total Revenue, Support, and Gains	10,986,820	(443,142)	116,463	10,660,141
EXPENSES				
Program Services:				
Allocations to Member Organizations and Affiliates	7,382,374	-	-	7,382,374
Other Member Support	669,458	-	-	669,458
Community Engagement	407,020	-	-	407,020
Awareness	1,007,764	-	-	1,007,764
Total Program Services	9,466,616	-	-	9,466,616
Supporting Services:				
Administrative Expenses	363,378	-	-	363,378
Fundraising	1,092,741	-	-	1,092,741
Total Supporting Services	1,456,119	-	-	1,456,119
Total Expenses	10,922,735	-	-	10,922,735
CHANGE IN NET ASSETS	64,085	(443,142)	116,463	(262,594)
Net Assets - Beginning of Year	8,507,040	2,192,823	2,274,901	12,974,764
NET ASSETS - END OF YEAR	<u>\$ 8,571,125</u>	<u>\$ 1,749,681</u>	<u>\$ 2,391,364</u>	<u>\$ 12,712,170</u>

See accompanying Notes to Financial Statements.

**UNITED PERFORMING ARTS FUND, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED AUGUST 31, 2019**

	Program Services			Supporting Services		Total
	Allocations and Other Member Support	Community Engagement	Awareness	Administrative	Fundraising	
Allocations to Member Organizations and Affiliates	\$ 7,171,500	\$ -	\$ -	\$ -	\$ -	\$ 7,171,500
Special Board-Approved Member Funding	400,000	-	-	-	-	400,000
Member Marketing Projects	231,288	-	-	-	-	231,288
Salaries and Other Personnel Costs	181,631	87,687	851,058	249,759	566,035	1,936,170
Insurance	859	12,274	6,871	2,134	4,008	26,146
Printing and Publications	-	6,717	-	-	-	6,717
Rent	5,070	17,805	40,558	12,598	23,659	99,690
Equipment Rental and Maintenance	666	10,331	5,328	1,655	3,107	21,087
Office Supplies	376	1,696	5,330	934	4,078	12,414
Postage and Shipping	1,312	1,352	10,496	3,260	6,123	22,543
Telephone	383	395	3,067	953	1,789	6,587
Hardware and Software Support	-	-	20,122	23,765	43,887	87,774
Telefunding	-	-	-	-	125,124	125,124
Promotion and Advertising	-	7,432	100,566	-	25,141	133,139
Events and Donor Benefits	-	-	74,007	392	3,408	77,807
Meals, Travel, and Food	-	7,344	9,779	1,795	4,240	23,158
Fees and Permits	-	42,681	-	74	-	42,755
Merchandise	-	23,773	-	-	-	23,773
Dues, Memberships, and Conferences	-	-	7,002	-	7,001	14,003
Professional Services	-	15,000	3,119	23,700	3,119	44,938
Bank, Credit Card, and Broker Commission Fees	-	-	-	42,972	42,972	85,944
Depreciation	-	-	-	4,945	-	4,945
Contributed Services:						
Media Coverage	-	-	-	-	312,035	312,035
Special Event	-	-	-	-	190,831	190,831
Interns	-	-	-	-	15,000	15,000
Miscellaneous	-	8,149	(420)	-	(421)	7,308
Total Expenses	\$ 7,993,085	\$ 242,636	\$ 1,136,883	\$ 368,936	\$ 1,381,136	\$ 11,122,676

See accompanying Notes to Financial Statements.

**UNITED PERFORMING ARTS FUND, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED AUGUST 31, 2018**

	Program Services			Supporting Services		Total
	Allocations and Other Member Support	Community Engagement	Awareness	Administrative	Fundraising	
Allocations to Member Organizations and Affiliates	\$ 7,382,374	\$ -	\$ -	\$ -	\$ -	\$ 7,382,374
Special Board-Approved Member Funding	75,000	-	-	-	-	75,000
Member Marketing Projects	406,062	-	-	-	-	406,062
Salaries and Other Personnel Costs	179,216	264,663	677,112	246,113	490,622	1,857,726
Insurance	961	12,285	6,339	2,431	4,942	26,958
Printing and Publications	-	6,554	-	-	-	6,554
Rent	5,365	12,075	35,402	13,575	27,598	94,015
Equipment Rental and Maintenance	608	9,746	4,010	1,538	3,126	19,028
Office Supplies	504	600	4,090	1,274	3,358	9,826
Postage and Shipping	1,350	1,391	8,907	3,416	6,944	22,008
Telephone	392	404	2,585	991	2,015	6,387
Hardware and Software Support	-	-	23,359	20,875	44,234	88,468
Telefunding	-	-	53,403	-	53,403	106,806
Promotion and Advertising	-	7,997	100,463	-	25,116	133,576
Events and Donor Benefits	-	-	72,176	78	4,450	76,704
Meals, Travel, and Food	-	4,278	9,419	4,175	4,457	22,329
Fees and Permits	-	46,188	-	64	-	46,252
Merchandise	-	17,295	-	-	-	17,295
Dues, Memberships, and Conferences	-	-	6,944	-	6,944	13,888
Professional Services	-	15,000	2,979	23,300	2,979	44,258
Bank, Credit Card, and Broker Commission Fees	-	-	-	40,565	40,565	81,130
Depreciation	-	-	-	4,983	-	4,983
Contributed Services:						
Media Coverage	-	-	-	-	162,512	162,512
Special Event	-	-	-	-	132,720	132,720
Creative Advertising and Public Relations	-	-	-	-	76,180	76,180
Miscellaneous	-	8,544	576	-	576	9,696
Total Expenses	\$ 8,051,832	\$ 407,020	\$ 1,007,764	\$ 363,378	\$ 1,092,741	\$ 10,922,735

See accompanying Notes to Financial Statements.

UNITED PERFORMING ARTS FUND, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED AUGUST 31, 2019 AND 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (413,827)	\$ (262,594)
Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities:		
Depreciation	4,945	4,983
Change in Allowance for Uncollectible Promises	(5,402)	2,554
Change in Discounts to Net Present Value	(17,727)	(21,650)
Realized Gains on Investments, Including Mutual Fund Distributions	(346,109)	(290,237)
Unrealized Depreciation (Appreciation) on Investments	121,641	(95,810)
Return on Beneficial Interest in Assets Held at Greater Milwaukee Foundation	6,514	(91,659)
Changes in Operating Assets and Liabilities:		
Contributions Receivable	376,001	380,074
Advance Payments to Member Groups	1	392,133
Prepaid Expenses	(5,729)	11,604
Accounts Payable	30,596	(74,858)
Accrued Lease Payable	(7,985)	(6,307)
Accrued Compensation and Other Related Benefits	(48,869)	15,234
Donor Designations Payable	(122,371)	(364,294)
Net Cash Used by Operating Activities	(428,321)	(400,827)
CASH FLOWS FROM INVESTING ACTIVITIES		
Distributions Received from Beneficial Interest in Assets Held at Greater Milwaukee Foundation	678,225	36,031
Purchase of Investments, Including Reinvestment of Income	(330,361)	(25,811)
Proceeds from Sale of Investments	-	600,000
Purchase of Property and Equipment	-	(4,826)
Net Cash Provided by Investing Activities	347,864	605,394
NET CHANGE IN CASH AND CASH EQUIVALENTS	(80,457)	204,567
Cash and Cash Equivalents - Beginning of Year	4,670,272	4,465,705
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 4,589,815	\$ 4,670,272

See accompanying Notes to Financial Statements.

UNITED PERFORMING ARTS FUND, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2019 AND 2018

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 in the spring of 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 spring 2019 campaign will fund allocations to member organizations and affiliates for the fiscal year beginning September 1, 2019. 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, 2019. 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, 2019 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 for an operating reserve and board-designated endowment. UPAF separately designated \$6,232,811 and \$6,285,817 of net assets without donor restrictions as of August 31, 2019 and 2018, 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, 2019 AND 2018

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 held as part of the 21st Century Fund are included with 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, 2019 AND 2018

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.

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.

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.

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. Contributions of cash that must be used to acquire property and equipment are reported as donor restricted contributions. UPAF reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. UPAF reclassifies net assets with donor restrictions to net assets without donor restrictions at that time. Property and equipment are depreciated using the straight-line method over their estimated useful lives.

UNITED PERFORMING ARTS FUND, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2019 AND 2018

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 \$517,866 and \$371,412 for the years ended August 31, 2019 and 2018, 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.

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, 2019 and 2018 were \$133,139 and \$133,576, 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.

UNITED PERFORMING ARTS FUND, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2019 AND 2018

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Change in Accounting Principle

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. UPAF has implemented ASU 2016-14 and has adjusted the presentation in these financial statements accordingly. The ASU has been applied retrospectively to all periods presented.

Recently Issued Accounting Standards

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which clarifies the principles for recognizing revenue. The core principle of this guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The new standard supersedes all existing U.S. GAAP guidance on revenue recognition and is expected to require the use of more judgment and result in additional disclosures. The FASB has issued several amendments to the original standard, which is effective for annual reporting periods beginning after December 15, 2018, with early adoption permitted. Adoption is to be applied retrospectively. UPAF is currently evaluating the impact of ASU 2014-09 on UPAF's financial statements and has not yet determined its method of adoption.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. This update increases transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. In November 2019, the FASB approved the delay of the effective date of ASU 2016-02 which is now effective for annual reporting periods beginning after December 15, 2020. Management will be evaluating the effects of this new standard.

Subsequent Events

UPAF has evaluated events and transactions for potential recognition and disclosure in the financial statements through December 9, 2019, the date on which the financial statements were available to be issued.

UNITED PERFORMING ARTS FUND, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2019 AND 2018

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:

	<u>2019</u>	<u>2018</u>
Total Financial Assets Available Within One Year:		
Cash and Cash Equivalents	\$ 4,589,815	\$ 4,670,272
Investments, Current Portion	2,489,033	2,155,033
Contributions Receivable, Net of Allowance	<u>3,114,772</u>	<u>3,382,871</u>
	10,193,620	10,208,176
Less Amounts Not Available for General Expenditures Within One Year Due to:		
Allocated to Member Groups & Affiliates	6,232,811	6,285,817
Donor Restricted to Time or Purpose Restrictions	<u>1,064,465</u>	<u>934,578</u>
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u>\$ 2,896,344</u>	<u>\$ 2,987,781</u>

UPAF's endowment funds consist of donor-restricted endowments and funds designated by the board as endowments. Income from donor-restricted endowments is restricted for specific purposes, with the exception of the amounts available for general use. Donor-restricted endowment funds are not available for general expenditure.

UPAF's board-designated endowment of \$1,970,510 and \$1,749,681, respectively is subject to use as determined by the board of directors. Although UPAF does not intend to spend from this board-designated endowment (other than amounts appropriated for general expenditure as part of the board's annual budget approval and appropriation), 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, 2019 AND 2018

NOTE 3 CONTRIBUTIONS RECEIVABLE

Outstanding contributions receivable are expected to be realized as follows at August 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Less Than One Year	\$ 3,464,772	\$ 3,738,273
One to Five Years	300,000	402,500
Total	<u>3,764,772</u>	<u>4,140,773</u>
Less: Discount to Present Value	(27,675)	(45,402)
Less: Allowance for Uncollectible Pledges	(350,000)	(355,402)
Net Contributions Receivable	<u>\$ 3,387,097</u>	<u>\$ 3,739,969</u>
Current Portion of Contributions Receivable	<u>\$ 3,114,772</u>	<u>\$ 3,382,871</u>
Long-Term Portion of Contributions Receivable	<u>\$ 272,325</u>	<u>\$ 357,098</u>

Estimated cash flows from pledges receivable have been discounted to present value as of August 31, 2019 and 2018 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, 2019 and 2018 as follows:

	<u>Cost or Gift Value</u>	<u>Fair Value</u>	<u>Unrealized Appreciation (Depreciation)</u>
<u>August 31, 2019</u>			
Bond Mutual Funds	\$ 1,146,653	\$ 1,199,061	\$ 52,408
Equity Mutual Funds	2,646,982	2,959,535	312,553
Money Market Fund	300,947	300,947	-
Total Investments	<u>\$ 4,094,582</u>	<u>\$ 4,459,543</u>	<u>\$ 364,961</u>
<u>August 31, 2018</u>			
Bond Mutual Funds	\$ 1,117,239	\$ 1,117,136	\$ (103)
Equity Mutual Funds	2,300,873	2,787,578	486,705
Total Investments	<u>\$ 3,418,112</u>	<u>\$ 3,904,714</u>	<u>\$ 486,602</u>

**UNITED PERFORMING ARTS FUND, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2019 AND 2018**

NOTE 4 INVESTMENTS (CONTINUED)

Investments are classified in the accompanying statements of financial position as of August 31, 2019 and 2018 as follows:

	2019	2018
Current Assets:		
With Donor Restrictions	\$ 20,965	\$ 15,081
Without Donor Restrictions	2,468,068	2,139,952
Total	2,489,033	2,155,033
Noncurrent Assets:		
Board-Designated, 21st Century Fund	1,970,510	1,749,681
Total Investments	\$ 4,459,543	\$ 3,904,714

Unrestricted return on investments as reported in the statements of activities for the years ended August 31, 2019 and 2018 is summarized as follows:

	2019	2018
Interest and Dividend Income	\$ 41,013	\$ 29,890
Net Realized Gains on Investments, Including Mutual Fund Distributions	346,109	290,237
Net Unrealized Appreciation (Depreciation) on Investments	(121,641)	95,810
Total Unrestricted Return of Investments	\$ 265,481	\$ 415,937

NOTE 5 ENDOWMENT FUNDS

UPAF's endowment funds consist of two separate funds established to support the mission of UPAF and its member organizations and affiliates. Both endowment funds have been designated by the board of directors to function as endowments and the net assets associated with these endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Beneficial Interest in the Assets Held at the Greater Milwaukee Foundation Endowment Fund

(GMFEF) – In 1976, the GMFEF was established for the sole benefit of UPAF and is currently held in pooled funds managed by the Greater Milwaukee Foundation (the Foundation). A trust agreement pertaining to the management of the GMFEF permits quarterly distributions from the GMFEF according to the distribution policy that is available for current operations. Under certain circumstances, additional distributions from the GMFEF's principal and accumulated earnings to UPAF can be requested or given to member organizations at the discretion of the UPAF board of directors with final approval from the Foundation trustees. GMFEF investments consist of equity and bond mutual funds which are all recorded at fair value.

UNITED PERFORMING ARTS FUND, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2019 AND 2018

NOTE 5 ENDOWMENT FUNDS (CONTINUED)

**Beneficial Interest in the Assets Held at the Greater Milwaukee Foundation
Endowment Fund (Continued)**

The GMFEF was established by UPAF's board of directors using prior restricted donations to provide support for UPAF's mission. These funds are the legal assets of the Foundation with the restriction that the Foundation make distributions to UPAF as needed. The agreement governing these assets includes 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.

21st Century Fund – In 1999, a board-designated 21st Century Fund was also established to ensure continued success of UPAF by providing a reserve for future critical needs. The 21st Century Fund is owned and managed by UPAF and investments are comprised of money market accounts, 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 contributions received by UPAF which are not restricted by the donor as "endowment", or otherwise restricted, will be allocated to the 21st Century Fund. Other funds may be added to the 21st Century Fund at the discretion of the UPAF board of directors. Accumulated investment returns on the investments managed by UPAF are retained and also allocated to the 21st Century Fund.

The UPAF board of directors has adopted the Wisconsin Uniform Prudent Management of Institutional Funds Act (WUPMIFA). Among other things, WUPMIFA requires that in making decisions to appropriate or accumulate monies in both endowment funds, UPAF shall act in good faith, with the care an ordinarily prudent person in a like position would exercise under similar circumstances, and shall consider the following factors: (1) the duration and preservation of the endowment funds; (2) the mission of UPAF and the purposes of the endowment funds; (3) general economic conditions; (4) the possible effect of inflation or deflation; (5) the expected total return from income and the appreciation of investments; (6) other resources of the institution; and (7) the investment policy of UPAF. UPAF's cash flow and investment policies, described in detail below, comply in a manner consistent with the standard of prudence prescribed by WUPMIFA.

Distributions from the GMFEF are made quarterly in accordance with the distribution policy which is 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. With the approval of the UPAF board of directors and the Foundation trustees, appropriated amounts in excess of the distribution policy amount may be made. Distributions from the 21st Century 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, 2019 AND 2018**

NOTE 5 ENDOWMENT FUNDS (CONTINUED)

**Beneficial Interest in the Assets Held at the Greater Milwaukee Foundation
Endowment Fund (Continued)**

UPAF follows the investment policies and objectives governed by the Foundation 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. For the 21st Century Fund, UPAF has adopted an investment policy with the objective to achieve investment returns that are viewed in a long-term context, on a three to five year annualized basis. The investment policy is to maximize total return that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make distributions, recognizing that rates of return are volatile and that achievement will occur over time with an acceptable level of risk. Assets are invested in a well-diversified asset mix, which includes equity and debt securities with no more than 60% exposure to either group.

Investment risk is measured in terms of the total endowment funds; investment assets and allocation between asset classes and strategies are reviewed by management to not expose the funds to unacceptable levels of risk.

The endowment net asset composition by type of fund as of August 31, 2019 and 2018 consists of the following:

	Without Donor Restrictions	With Donor Restrictions	Total
<u>August 31, 2019</u>			
Beneficial Interest in GMFEF	\$ -	\$ 414,949	\$ 414,949
Board-Designated Funds	1,970,510	-	1,970,510
Total Endowment Funds	<u>\$ 1,970,510</u>	<u>\$ 414,949</u>	<u>\$ 2,385,459</u>
<u>August 31, 2018</u>			
Beneficial Interest in GMFEF	\$ -	\$ 1,099,688	\$ 1,099,688
Board-Designated Funds	1,749,681	-	1,749,681
Total Endowment Funds	<u>\$ 1,749,681</u>	<u>\$ 1,099,688</u>	<u>\$ 2,849,369</u>

UNITED PERFORMING ARTS FUND, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2019 AND 2018

NOTE 5 ENDOWMENT FUNDS (CONTINUED)

The changes in the endowment net assets for the years ended August 31, 2019 and 2018 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
<u>August 31, 2019</u>			
Endowment Investments - Beginning of Year	\$ 1,749,681	\$ 1,099,688	\$ 2,849,369
Investment Return:			
Interest Income	30,361	6,256	36,617
Net Realized and Unrealized Appreciation (Depreciation)	224,468	(3,858)	220,610
Administrative Fees	-	(8,912)	(8,912)
Total Investment Return	254,829	(6,514)	248,315
Appropriations for Expenditure	(34,000)	(678,225)	(712,225)
Endowment Investments - End of Year	<u>\$ 1,970,510</u>	<u>\$ 414,949</u>	<u>\$ 2,385,459</u>
<u>August 31, 2018</u>			
Endowment Investments - Beginning of Year	\$ 2,192,823	\$ 1,044,060	\$ 3,236,883
Investment Return:			
Interest Income	25,811	8,457	34,268
Net Realized and Unrealized Appreciation	386,047	97,021	483,068
Administrative Fees	-	(13,819)	(13,819)
Total Investment Return	411,858	91,659	503,517
Appropriations for Expenditure	(855,000)	(36,031)	(891,031)
Endowment Investments - End of Year	<u>\$ 1,749,681</u>	<u>\$ 1,099,688</u>	<u>\$ 2,849,369</u>

The Board of Directors approved the release of donor restricted funds during the year ended December 31, 2019 for special funding awarded to and requested by three member organizations totaling \$650,000. In addition, the Board of Directors approved the appropriation of \$34,000 to be used for a special marketing project during the year ended December 31, 2019 with funds provided from the 21st Century Fund.

The Board of Directors approved the release of 21st Century Fund funds during the year ended December 31, 2018 for special funding awarded to and requested by two member organizations totaling \$325,000. In addition, the Board of Directors approved the appropriation of \$335,000 to be used for a special marketing projects and \$195,000 to be used for internal information technology upgrades during the year ended December 31, 2018 with funds provided from the 21st Century Fund.

Quarterly distributions in accordance with the distribution policy from the GMFEF were \$28,225 and \$36,031 during the years ended August 31, 2019 and 2018, respectively.

UNITED PERFORMING ARTS FUND, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2019 AND 2018

NOTE 6 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: 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.

Beneficial Interests in Assets Held by a Community Foundation: Valued at UPAF's share of the fair value of the underlying trust assets held by the Foundation and that interest is adjusted for its share of the changes in net assets. Because there are no observable market transactions for assets similar to the beneficial interest in the trust and because the trust cannot be redeemed, Level 3 is assigned.

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, 2019 AND 2018

NOTE 6 FAIR VALUE MEASUREMENTS (CONTINUED)

The following tables provide by level, within the fair value hierarchy, UPAF's investment assets as of August 31, 2019 and 2018:

	2019			Total
	Level 1	Level 2	Level 3	
Investments, at Fair Value:				
Bond Mutual Funds	\$ 1,199,061	\$ -	\$ -	\$ 1,199,061
Equity Mutual Funds:				
Mid-Cap Funds	1,761,906	-	-	1,761,906
Large-Cap Funds	617,060	-	-	617,060
International	580,569	-	-	580,569
Money Market Fund	300,947			300,947
Beneficial Interest in Assets				
Held at the Foundation	-	-	414,949	414,949
Total Investments at Fair Value	<u>\$ 4,459,543</u>	<u>\$ -</u>	<u>\$ 414,949</u>	<u>\$ 4,874,492</u>
	2018			Total
	Level 1	Level 2	Level 3	
Investments, at Fair Value:				
Bond Mutual Funds	\$ 1,117,136	\$ -	\$ -	\$ 1,117,136
Equity Mutual Funds:				
Mid-Cap Funds	1,644,313	-	-	1,644,313
Large-Cap Funds	592,448	-	-	592,448
International	550,817	-	-	550,817
Beneficial Interest in Assets				
Held at the Foundation	-	-	1,099,688	1,099,688
Total Investments at Fair Value	<u>\$ 3,904,714</u>	<u>\$ -</u>	<u>\$ 1,099,688</u>	<u>\$ 5,004,402</u>

The following table sets forth a summary of changes in the fair value of UPAF's Level 3 investment assets for the years ended August 31, 2019 and 2018:

	2019	2018
Beneficial Interest in Assets Held at the		
Foundation - Beginning of Year	\$ 1,099,688	\$ 1,044,060
Interest Income	6,256	8,457
Net Realized and Unrealized Appreciation (Depreciation)	(3,858)	97,021
Administrative Fees	(8,912)	(13,819)
Appropriations for Expenditure	(678,225)	(36,031)
Beneficial Interest in Assets Held at the		
Foundation - End of Year	<u>\$ 414,949</u>	<u>\$ 1,099,688</u>

UNITED PERFORMING ARTS FUND, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2019 AND 2018

NOTE 7 PROPERTY AND EQUIPMENT

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

	Depreciable Lives	2019	2018
Computer Equipment and Software	3 to 5 Years	\$ 90,212	\$ 105,193
Less: Accumulated Depreciation		83,243	93,279
Property and Equipment, Net		\$ 6,969	\$ 11,914

Depreciation expense for the years ended August 31, 2019 and 2018 totaled \$4,945 and \$4,983, respectively.

NOTE 8 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 at August 31, 2019 and 2018 is \$10,458 and \$64,045, 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 9 LINE OF CREDIT

As of August 31, 2019 and 2018, 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, 2019 and 2018 were 4.22% and 4.07%, respectively. The agreement has no expiration and there were no outstanding borrowings under the line of credit as of August 31, 2019 and 2018.

NOTE 10 OPERATING LEASE

Beginning January 1, 2013, UPAF entered into a long-term noncancelable operating lease for new office space that expires on June 30, 2020. The building lease contains renewal options for two additional five-year periods. Lease expense on UPAF's office space is recognized on the straight-line basis over the term of the lease. The difference between the expense amount recorded and the cumulative actual lease payments paid is recognized as a liability on the statements of financial position. Rent expense on the office space operating lease was \$77,558 for both of the years ended August 31, 2019 and 2018. The future minimum annual rental commitment remaining under this operating lease as of August 31, 2019 is \$43,914 for the year ending August 31, 2020.

**UNITED PERFORMING ARTS FUND, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2019 AND 2018**

NOTE 11 NET ASSETS WITH DONOR RESTRICTIONS

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

	2019	2018
Contributions Received and Restricted to Use for Future Years (Held in Investments)	\$ 20,965	\$ 15,081
Contributions Restricted for UPAF Programs:		
Bright Minds Arts Education	578,500	568,500
UPAF Connect (Awareness)	250,000	240,500
Contributions Receivable Restricted to Time	487,325	467,595
Total Contributions Restricted	1,336,790	1,291,676
Greater Milwaukee Foundation Endowment Fund	414,949	1,099,688
Total Net Assets With Donor Restrictions	\$ 1,751,739	\$ 2,391,364

NOTE 12 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, 2019 and 2018, 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, 2019 and 2018 was \$48,034 and \$46,048 respectively.

NOTE 13 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, 2019 AND 2018
(SEE INDEPENDENT AUDITORS' REPORT)

	<u>2019</u>	<u>2018</u>
Member Organizations:		
Bel Canto Chorus of Milwaukee, Inc.	\$ 45,756	\$ 46,172
Danceworks, Inc.	170,865	171,863
First Stage Milwaukee, Inc.	981,636	981,398
Florentine Opera Company, Inc.	796,082	871,341
Milwaukee Ballet Company, Inc.	1,097,197	964,715
Milwaukee Chamber Theatre, Ltd.	158,756	172,190
Milwaukee Children's Choir	48,024	59,619
Milwaukee Public Theatre, Inc.	-	26,459
Milwaukee Repertory Theater, Inc.	1,824,454	1,859,968
Milwaukee Symphony Orchestra, Inc.	2,391,397	2,554,261
Milwaukee Youth Symphony Orchestra, Inc.	427,203	433,532
Next Act Theatre, Inc.	144,522	149,223
Present Music, Inc.	113,276	122,453
Renaissance Theaterworks, Inc.	160,236	167,654
Skylight Music Theatre Corporation	525,681	581,660
Total Allocations to Member Organizations	<u>8,885,085</u>	<u>9,162,508</u>
Affiliates	<u>159,915</u>	<u>152,492</u>
Total Allocations to Member Organizations and Affiliates	<u>\$ 9,045,000</u>	<u>\$ 9,315,000</u>
Donor Designations Directed to Member Organizations	\$ 1,897,268	\$ 1,946,204
Donor Designations Directed to UPAF Programs	809,000	649,383
UPAF Allocations	<u>6,338,732</u>	<u>6,719,413</u>
Total	<u>\$ 9,045,000</u>	<u>\$ 9,315,000</u>