

UNITED WAY FOX CITIES, INC.
Menasha, Wisconsin

FINANCIAL STATEMENTS
March 31, 2015 and 2014

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INDEPENDENT AUDITORS' REPORT

Board of Directors
United Way Fox Cities, Inc.
Menasha, Wisconsin

Report on the Financial Statements

We have audited the accompanying financial statements of United Way Fox Cities, Inc. (a nonprofit organization), which comprise the statement of financial position as of March 31, 2015, 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 2015 financial statements referred to above present fairly, in all material respects, the financial position of United Way Fox Cities, Inc. as of March 31, 2015, 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.

Other Matter

The 2014 financial statements were audited by other auditors, whose report dated July 22, 2014 expressed an unmodified opinion on those statements.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the 2015 financial statements as a whole. The 2015 supplementary information on page 21 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The 2014 supplementary information was subjected to the auditing procedures applied in the 2014 audit of the basic financial statements by other auditors, whose report on such information stated that it was fairly stated in all material respects in relation to the 2014 financial statements as a whole.

CliftonLarsonAllen LLP

Oshkosh, Wisconsin
July 28, 2015

UNITED WAY FOX CITIES, INC.
STATEMENTS OF FINANCIAL POSITION
March 31, 2015 and 2014

ASSETS

	<u>2015</u>	<u>2014</u>
Cash and cash equivalents	\$ 2,854,983	\$ 3,004,135
Certificates of deposit	1,949,218	2,050,352
Promises receivable:		
Annual campaign, net of allowance	4,218,845	3,741,366
Endowment campaign	2,000	3,002
Other receivables	136,328	15,385
Prepaid expenses	22,591	19,598
Property and equipment, net	1,117,345	1,166,579
Beneficial interest in assets at Community Foundation	1,603,505	1,123,031
Other assets	<u>157,639</u>	<u>143,321</u>
 Total assets	 <u>\$ 12,062,454</u>	 <u>\$ 11,266,769</u>

LIABILITIES AND NET ASSETS

Liabilities

Community investments payable	\$ 3,660,054	\$ 3,654,026
Community investment fund grants payable	158,522	236,560
Payable to other communities/agencies	203,036	187,900
Accounts payable	155,493	60,008
Grants payable	95,006	-
Accrued expenses	108,902	105,704
Other liabilities	<u>132,075</u>	<u>118,502</u>
 Total liabilities	 <u>4,513,088</u>	 <u>4,362,700</u>

Net Assets

Unrestricted:

Board designated	5,754,931	5,247,934
Undesignated	104,042	109,383
Net investment in property and equipment	<u>1,117,345</u>	<u>1,166,579</u>

Total unrestricted net assets	<u>6,976,318</u>	<u>6,523,896</u>
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Temporarily restricted:

Endowment program expenses	69,997	62,745
Subsequent year campaign	46,806	39,723
Subsequent year programs	<u>91,712</u>	<u>67,314</u>

Total temporarily restricted net assets	<u>208,515</u>	<u>169,782</u>
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Permanently restricted net assets	<u>364,533</u>	<u>210,391</u>
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Total net assets	<u>7,549,366</u>	<u>6,904,069</u>
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Total liabilities and net assets	<u>\$ 12,062,454</u>	<u>\$ 11,266,769</u>
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The accompanying notes are an integral part of the financial statements.

UNITED WAY FOX CITIES, INC.
STATEMENTS OF ACTIVITIES
Years Ended March 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
<u>Unrestricted net assets</u>		
<u>Revenue</u>		
Contributions:		
Gross current campaign results	\$ 8,460,653	\$ 8,007,012
Gross past campaign results	135,340	14,624
Less:		
Donor designations to United Way partner agencies	(497,306)	(403,811)
Donor designations to other communities/agencies	(447,288)	(468,273)
Provision for uncollectible promises	<u>(244,519)</u>	<u>(95,238)</u>
Net campaign revenue	7,406,880	7,054,314
Designations from other United Ways	63,771	55,162
In-kind contributions	59,603	124,008
Service fees	50,342	47,027
Return on beneficial interest in assets at Community Foundation	(243)	67,727
Investment income	29,500	25,426
Miscellaneous	39,602	65,335
Net assets released from restrictions:		
Restrictions satisfied by payments	<u>341,829</u>	<u>193,560</u>
Total revenue	<u>7,991,284</u>	<u>7,632,559</u>
<u>Expenses</u>		
Program services:		
Community impact programs:		
Developing Children and Youth	1,618,495	1,610,829
Strengthening Families	878,182	938,894
Promoting Health, Healing and Crisis Intervention	1,545,818	1,502,943
Providing Basic Needs and Self Sufficiency	877,869	834,643
Less expenses funded through designations	<u>(497,306)</u>	<u>(403,811)</u>
Net partner agency program expenses	4,423,058	4,483,498
Community investment fund grants	965,564	339,163
Community services provided by United Way:		
Community development	472,743	349,203
2-1-1 program	201,972	190,505
AFL-CIO labor program	82,936	65,727
Youth board	32,750	30,591
Weight of the Fox Valley	96,921	3,525
FEMA	5,392	2,599
Life needs	<u>600</u>	<u>5,057</u>
Total programs services	<u>6,281,936</u>	<u>5,469,868</u>

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

UNITED WAY FOX CITIES, INC.
STATEMENTS OF ACTIVITIES (CONTINUED)
Years Ended March 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Management and general:		
Office operations	472,402	364,763
Marketing	<u>171,228</u>	<u>113,763</u>
Total management in general	<u>643,630</u>	<u>478,526</u>
Fund-raising - Campaign	<u>613,296</u>	<u>691,585</u>
Total expenses	<u>7,538,862</u>	<u>6,639,979</u>
Change in unrestricted net assets	452,422	992,580
Unrestricted net assets, beginning	<u>6,523,896</u>	<u>5,531,316</u>
Unrestricted net assets, ending	<u>6,976,318</u>	<u>6,523,896</u>
<u>Temporarily restricted net assets</u>		
Subsequent year campaign results	46,806	39,723
Contributions	326,504	173,884
Return on beneficial interest in assets at		
Community Foundation	1,560	20,408
Investment income	5,692	4,141
Net assets released from restriction	<u>(341,829)</u>	<u>(193,560)</u>
Change in temporarily restricted net assets	38,733	44,596
Temporarily restricted net assets, beginning	<u>169,782</u>	<u>125,186</u>
Temporarily restricted net assets, ending	<u>208,515</u>	<u>169,782</u>
<u>Permanently restricted net assets</u>		
Endowment campaign contributions	154,142	10,151
Permanently restricted net assets, beginning	<u>210,391</u>	<u>200,240</u>
Permanently restricted net assets, ending	<u>364,533</u>	<u>210,391</u>
<u>Total net assets</u>		
Change in net assets	645,297	1,047,327
Net assets, beginning	<u>6,904,069</u>	<u>5,856,742</u>
Net assets, ending	<u>\$ 7,549,366</u>	<u>\$ 6,904,069</u>

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

UNITED WAY FOX CITIES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended March 31, 2015

	Community Services							Management and General		Fund-raising	
	Community Investments	2-1-1 Program	AFL-CIO Labor Program	Youth Board	Weight of the Fox Valley (WOTFV)	FEMA	Life Needs	Office Operations	Marketing/ Communications	Resource Development	Total
Community investments	\$ 5,885,928	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,885,928
Less donor designations	(497,306)	-	-	-	-	-	-	-	-	-	(497,306)
	5,388,622	-	-	-	-	-	-	-	-	-	5,388,622
Salaries	222,483	106,982	45,853	9,430	42,090	4,173	437	253,077	77,457	297,625	1,059,607
Payroll taxes	17,376	9,139	3,397	891	3,566	333	32	16,841	5,912	21,976	79,463
Health insurance	25,184	8,905	11,848	357	-	450	65	39,378	19,111	43,868	149,166
Retirement	14,910	8,045	4,120	260	230	333	36	17,342	4,687	21,898	71,861
Other benefits	13,118	(1,750)	2,792	64	-	74	30	14,717	3,640	4,907	37,592
Total salaries and related expenses	293,071	131,321	68,010	11,002	45,886	5,363	600	341,355	110,807	390,274	1,397,689
Outside printing	823	626	238	-	35	29	-	557	10,823	23,704	36,835
Communication	258	-	109	343	-	-	-	818	-	55,252	56,780
Promotion	-	6,129	125	-	-	-	-	468	-	-	6,722
Occupancy	7,151	4,590	1,360	680	667	-	-	6,966	2,209	10,875	34,498
Training/development/conferences	3,643	1,348	2,336	660	12,457	-	-	5,594	1,629	3,740	31,407
Travel, meals and events	12,235	868	855	17,134	17,477	-	-	3,700	4,809	33,738	90,816
Professional services	5,631	16,477	-	-	1,416	-	-	32,031	23,264	844	79,663
Telephone	3,114	8,497	510	377	1,137	-	-	5,256	1,684	5,267	25,842
Office supplies	1,600	797	330	370	289	-	-	5,389	359	2,701	11,835
Diaper Bank Project	75,096	-	-	-	-	-	-	-	-	-	75,096
Postage	290	316	334	123	384	-	-	439	2,534	7,300	11,720
Equipment repair and maintenance	7,359	4,731	1,402	701	844	-	-	17,020	2,278	16,818	51,153
Licensing	-	1,613	-	-	-	-	-	600	-	-	2,213
Insurance	1,362	867	257	128	115	-	-	14,660	417	2,056	19,862
Dues and subscriptions	3,330	575	399	-	-	-	-	1,475	-	1,002	6,781
Affiliation dues - UWWW and UWWW	21,996	12,455	3,991	-	-	-	-	18,500	5,667	30,618	93,227
Depreciation	14,167	8,315	2,464	1,232	-	-	-	11,703	4,004	19,708	61,593
Non-profit development	21,290	-	-	-	-	-	-	-	-	-	21,290
Miscellaneous	327	2,447	216	-	16,214	-	-	5,871	744	9,399	35,218
	<u>\$ 5,861,365</u>	<u>\$ 201,972</u>	<u>\$ 82,936</u>	<u>\$ 32,750</u>	<u>\$ 96,921</u>	<u>\$ 5,392</u>	<u>\$ 600</u>	<u>\$ 472,402</u>	<u>\$ 171,228</u>	<u>\$ 613,296</u>	<u>\$ 7,538,862</u>

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

UNITED WAY FOX CITIES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended March 31, 2014

	Community Services							Management and General		Fund-raising	
	Community Investments	2-1-1 Program	AFL-CIO Labor Program	Youth Board	Weight of the Fox Valley (WOTFV)	FEMA	Life Needs	Office Operations	Marketing/ Communications	Resource Development	Total
Community investments	\$ 5,226,472	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,226,472
Less donor designations	(403,811)	-	-	-	-	-	-	-	-	-	(403,811)
	4,822,661	-	-	-	-	-	-	-	-	-	4,822,661
Salaries	210,686	93,832	39,299	9,337	2,876	1,907	3,873	196,633	59,637	323,520	941,600
Payroll taxes	17,110	8,302	3,008	895	649	154	302	15,059	4,826	23,922	74,227
Health insurance	21,420	598	10,998	33	-	195	435	23,512	12,534	53,411	123,136
Retirement	14,108	7,704	3,506	132	-	140	233	14,048	4,455	17,240	61,566
Other benefits	(13,451)	(1,026)	(2,905)	23	-	35	214	(7,475)	(2,302)	6,519	(20,368)
Total salaries and related expenses	249,873	109,410	53,906	10,420	3,525	2,431	5,057	241,777	79,150	424,612	1,180,161
Outside printing	1,121	1,183	444	17	-	23	-	745	92	35,680	39,305
Communication	452	-	67	340	-	-	-	-	1,420	83,976	86,255
Promotion	-	4,970	125	-	-	-	-	295	4,715	1,224	11,329
Occupancy	7,360	5,257	1,227	350	-	-	-	7,267	1,928	11,916	35,305
Training/development/conferences	2,366	1,867	805	550	-	-	-	4,239	1,522	5,015	16,364
Travel, meals and events	2,796	629	804	17,224	-	8	-	3,092	358	39,083	63,994
Professional services	-	22,257	-	-	-	-	-	33,744	10,578	1,076	67,655
Telephone	3,433	10,958	561	381	-	-	-	4,473	1,788	5,887	27,481
Office supplies	1,952	1,951	657	298	-	29	-	4,347	796	5,354	15,384
Diaper Bank Project	35,272	-	-	-	-	-	-	-	-	-	35,272
Postage	323	430	466	55	-	108	-	1,323	1,128	6,818	10,651
Equipment repair and maintenance	6,412	4,554	1,063	302	-	-	-	12,907	1,670	15,271	42,179
Licensing	-	4,236	-	-	-	-	-	1,140	-	-	5,376
Insurance	1,099	785	183	52	-	-	-	14,256	288	1,779	18,442
Dues and subscriptions	3,289	575	399	-	-	-	-	1,462	-	1,017	6,742
Affiliation dues - UWWI and UWWW	18,204	12,418	2,914	-	-	-	-	16,561	4,551	28,097	82,745
Depreciation	12,635	9,025	2,106	602	-	9,025	-	12,034	3,309	20,457	60,168
Non-profit development	2,600	-	-	-	-	-	-	-	-	-	2,600
Miscellaneous	16	-	-	-	-	-	-	5,101	470	4,323	9,910
	<u>\$ 5,171,864</u>	<u>\$ 190,505</u>	<u>\$ 65,727</u>	<u>\$ 30,591</u>	<u>\$ 3,525</u>	<u>\$ 2,599</u>	<u>\$ 5,057</u>	<u>\$ 364,763</u>	<u>\$ 113,763</u>	<u>\$ 691,585</u>	<u>\$ 6,639,979</u>

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

UNITED WAY FOX CITIES, INC.
STATEMENTS OF CASH FLOWS
Years Ended March 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
<u>Operating activities</u>		
Change in net assets	\$ 645,297	\$ 1,047,327
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	61,593	60,168
Change in allowance for uncollectible promises	114,447	(53,712)
Return on beneficial interest in assets at Community Foundation	(25,310)	(106,272)
Long-term contributions for endowment	(154,142)	(10,151)
Changes in operating assets and liabilities:		
Promises receivable	(590,924)	(325,052)
Other receivables	(120,943)	1,992
Prepaid expenses	(2,993)	(3,928)
Other assets	(14,318)	(3,675)
Community investments payable	6,028	52,316
Community investment fund grants payable	(78,038)	(81,171)
Payable to other communities/agencies	15,136	(727)
Accounts payable	95,485	(42,943)
Grants payable	95,006	-
Accrued expenses	3,198	(53,452)
Other liabilities	13,573	23,846
	<u>63,095</u>	<u>504,566</u>
<u>Investing activities</u>		
Purchases of property and equipment	(12,359)	(15,431)
Certificates of deposit, net	101,134	(11,698)
Contributions to beneficial interest in assets at Community Foundation	(456,166)	(51,153)
Distributions from beneficial interest in assets at Community Foundation	-	5,000
	<u>(367,391)</u>	<u>(73,282)</u>
<u>Financing activity</u>		
Proceeds from long-term contributions for endowment	155,144	22,748
<u>Net increase (decrease) in cash and cash equivalents</u>	(149,152)	454,032
Cash and cash equivalents, beginning of year	<u>3,004,135</u>	<u>2,550,103</u>
Cash and cash equivalents, end of year	<u>\$ 2,854,983</u>	<u>\$ 3,004,135</u>

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

UNITED WAY FOX CITIES, INC.
NOTES TO FINANCIAL STATEMENTS
March 31, 2015 and 2014

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

United Way Fox Cities, Inc. (Organization) is a volunteer Organization serving the Fox Cities Communities of Wisconsin organized in 1993 under the laws of the State of Wisconsin. The Organization's revenue is derived primarily through fund-raising and contributions from the public. The mission of the Organization is to bring diverse people and resources together to build a stronger, more caring community for everyone. The Organization is governed by a volunteer board of directors. Through an extensive volunteer-driven process, funds are invested in partner agencies to fund programs fairly and impartially with the betterment of the broad community in mind. The distribution of funds is guided by board-approved priorities through planning, needs assessment and policy decisions relating to the communities' changing needs and resources.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities.

Use of Estimates

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

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Property and Equipment

All acquisitions and improvements of property and equipment in excess of \$1,000 are capitalized while all expenditures for repairs and maintenance that do not materially prolong the useful lives of assets are expensed. Purchased property and equipment is carried at cost. Donated property and equipment is carried at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method.

Funds Held for Others

At times, the Organization can hold funds, which have been established by unrelated organizations, under an agency transaction. These funds are reflected as liabilities in the accompanying statement of financial position.

UNITED WAY FOX CITIES, INC.
NOTES TO FINANCIAL STATEMENTS
March 31, 2015 and 2014

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

Net Assets

The Organization is required to report information regarding its net assets and its activities in the following three classes of net assets:

Unrestricted net assets - net assets that are neither temporarily nor permanently restricted by donor-imposed stipulations.

Temporarily restricted net assets - net assets that result from contributions whose use by the Organization is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Organization pursuant to those stipulations.

Permanently restricted net assets - net assets resulting from contributions whose use by the Organization is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled and removed by actions of the Organization. Permanently restricted net assets consist entirely of donor-restricted contributions for endowment.

Promises Receivable and Revenue Recognition

Contributions are recognized as revenue when they are received or unconditionally promised. Donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

The Organization uses the allowance method to determine uncollectible contributions receivable. The allowance is based on prior years' experience and management's analysis of specific promises made. Additionally, all uncollected contributions over two years old are deemed uncollectible and written off.

Donated services are recognized as contributions if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills and would otherwise be purchased by the Organization.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and functional expenses. Accordingly, certain costs have been allocated on the basis of periodic time and expense studies among the program services and supporting activities benefited.

In accordance with federal Form 990 and United Way Worldwide reporting requirements, dues to United Way Worldwide are allocated across program services and supporting activities.

UNITED WAY FOX CITIES, INC.
NOTES TO FINANCIAL STATEMENTS
March 31, 2015 and 2014

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

Tax-Exempt Status

United Way Fox Cities, Inc. is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation on unrelated business income. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2). The Organization is also exempt from Wisconsin income taxes.

Penalties and interest assessed by income taxing authorities are included in management and general expenses, if applicable. The Organization had no interest and penalties related to income taxes for the fiscal year ended March 31, 2015.

Reclassifications

Certain prior year accounts have been reclassified to conform with the current year's presentation. The reclassifications had no impact on the previously reported change in net assets.

**NOTE 2 - CONCENTRATIONS OF CREDIT RISK ARISING FROM CASH DEPOSITS
IN EXCESS OF INSURED LIMITS**

The Organization maintains its bank accounts and certificates of deposit at several financial institutions in the Fox Cities area. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per insured depository institution. In addition, deposits with credit unions are insured by the National Credit Union Share Insurance Fund (NCUSIF) up to \$250,000. The Organization's cash deposits may exceed these federally insured limits at times during the year. As of March 31, 2015 and 2014, balances in excess of FDIC coverage approximated \$2,590,000 and \$2,678,000, respectively. The Organization has not experienced any losses on these accounts. Management believes the Organization is not exposed to any significant credit risk on cash.

NOTE 3 - CERTIFICATES OF DEPOSIT

Certificates of deposit totaling \$1,949,218 and \$2,050,352 at March 31, 2015 and 2014, respectively, are included in the accompanying financial statements. The certificates bear interest ranging from 0.10% to 0.65% at March 31, 2015 and 2014, and have maturities extending to sixteen months, with penalties for early withdrawal. Any penalties for early withdrawal would not have a material effect on the financial statements.

UNITED WAY FOX CITIES, INC.
NOTES TO FINANCIAL STATEMENTS
March 31, 2015 and 2014

NOTE 4 - PROMISES RECEIVABLE

Promises receivable are primarily due from individuals and organizations located in the Fox Valley region. Approximately 30.0% of the total promises to give were due from two organizations and their employees at March 31, 2015. Approximately 16.6% of the total promises to give were due from one organization and its employees at March 31, 2014.

Promises receivable as of March 31, 2015 and 2014 consist of the following:

	<u>2015</u>	<u>2014</u>
Annual campaign:		
2014 campaign	\$ 4,433,057	\$ 10,058
2013 campaign	276,973	3,948,837
2012 campaign	<u>-</u>	<u>159,209</u>
	4,710,030	4,118,104
Less provision for uncollectible amounts	<u>491,185</u>	<u>376,738</u>
Net campaign promises receivable	<u>\$ 4,218,845</u>	<u>\$ 3,741,366</u>
Endowment campaign		
Receivable in less than one year	<u>\$ 2,000</u>	<u>\$ 3,002</u>

All annual campaign promises receivable are due within one year. Provision for uncollectible amounts is calculated based upon a three year historical average applied to gross campaign results including donor designated amounts and management's consideration of specific promises receivable that may be at risk.

NOTE 5 - PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

	<u>2015</u>	<u>2014</u>
Land	\$ 15,000	\$ 15,000
Buildings and improvements	1,261,665	1,259,565
Office furnishings and equipment	<u>353,493</u>	<u>347,034</u>
	1,630,158	1,621,599
Less accumulated depreciation	<u>512,813</u>	<u>455,020</u>
Net property and equipment	<u>\$ 1,117,345</u>	<u>\$ 1,166,579</u>

UNITED WAY FOX CITIES, INC.
NOTES TO FINANCIAL STATEMENTS
March 31, 2015 and 2014

NOTE 6 BENEFICIAL INTEREST IN ASSETS AT COMMUNITY FOUNDATION

Beneficial interest in assets at Community Foundation consists of investments in pooled funds at Community Foundation for the Fox Valley Region, Inc. (CFFVR) which are carried at the fair value of the underlying securities in the fund. These funds are the legal assets of the Foundation with the restriction that the Foundation makes distributions to the Organization as needed. The agreement governing the assets includes a variance power allowing the Foundation to modify the restrictions on distributions from certain funds.

The following is a description of each fund:

	<u>2015</u>	<u>2014</u>
<u>Legacy of Caring Endowment Fund</u>		
This fund was set up at CFFVR by the Organization’s Board of Directors using a prior unrestricted donation and designating the net income to be used to support health and human service programs in the Fox Valley. Principal can be used in unusual circumstances. These amounts are presented in the financial statements as unrestricted, board designated net assets. Beginning in 2009, endowment campaign contributions may be permanently restricted by donors for this fund. These amounts are presented in the financial statements as permanently restricted net assets.	\$ 134,137	\$ 131,889
<u>Administrative Endowment Fund</u>		
This fund was set up at CFFVR by the Organization’s Board of Directors using a prior donation that had been restricted by the donor to provide for the long-term funding of the Organization’s administrative and operating expenses. Net income of the fund and, in unusual circumstances, principal must be used for the aforementioned purpose. Donor-restricted gifts are presented in the financial statements as permanently restricted net assets.	393,721	231,699
<u>Reserve Investment Fund</u>		
This fund was set up at CFFVR by the Organization’s Board of Directors using a prior unrestricted donation and designating the net income to be used as a reserve in the event of campaign shortfalls and emergencies. Principal can be used in unusual circumstances. These funds are presented in the financial statements as unrestricted, board designated net assets.	967,680	653,288

UNITED WAY FOX CITIES, INC.
NOTES TO FINANCIAL STATEMENTS
March 31, 2015 and 2014

NOTE 6 BENEFICIAL INTEREST IN ASSETS AT COMMUNITY FOUNDATION
(CONTINUED)

Impact Area Endowment Funds

These funds were set up at CFFVR by the Organization's Board of Directors using a prior unrestricted donation and designating the net income to be used to provide funding for identified impact areas. These funds are presented in the financial statements as unrestricted, board designated net assets. Beginning in 2010, endowment campaign contributions may be permanently restricted by donors. These amounts are presented in the financial statements as permanently restricted net assets.

	<u>107,967</u>	<u>106,155</u>
Total beneficial interest in assets at Community Foundation	<u>\$ 1,603,505</u>	<u>\$ 1,123,031</u>

NOTE 7 - BOARD-DESIGNATED NET ASSETS

The Organization's Board of Directors has chosen to place the following limitations on unrestricted net assets:

	<u>2015</u>	<u>2014</u>
Reserve	\$ 2,742,165	\$ 2,443,177
Managed Impact Solutions (MIS)	1,040,000	1,040,000
Capital replacement	246,139	395,127
Diaper bank	80,000	55,000
LIFE/Needs assessment	60,000	50,000
Vital Signs (LIFE in Motion)	-	15,000
Providing Access to Healing (PATH) for Students	500,000	200,000
Community early learning center/Early Learning Coalition	100,000	250,000
Boys and Girls Club (Menasha)	-	150,000
Weight of the Fox Valley	100,000	150,000
Early learning fund (with CFFVR)	150,000	150,000
Hispanic chamber / workforce development	-	100,000
The Connector	133,332	50,000
Strategic Investments 2016	400,000	-
Endowments:		
Legacy of Caring	104,671	102,917
Impact Area	51,640	50,774
Administrative	<u>46,984</u>	<u>45,939</u>
	<u>\$ 5,754,931</u>	<u>\$ 5,247,934</u>

UNITED WAY FOX CITIES, INC.
NOTES TO FINANCIAL STATEMENTS
March 31, 2015 and 2014

NOTE 8 - TEMPORARILY RESTRICTED NET ASSETS

Net assets temporarily restricted for subsequent year programs consist of the following:

	<u>2015</u>	<u>2014</u>
Volunteer project	\$ 1,262	\$ -
Early childhood initiative	15,000	15,000
Leading Indicators for Excellence (LIFE) in Motion	11,748	11,748
Emerging leaders	8,657	-
Youth worker coalition	566	566
Weight of the Fox Valley	<u>54,479</u>	<u>40,000</u>
	<u>\$ 91,712</u>	<u>\$ 67,314</u>

NOTE 9 - RETIREMENT PLAN

The Organization sponsors a Section 403(b) retirement plan that covers substantially all employees. Employees may elect to contribute up to the annual deferral limitation as defined in IRC Section 402(g). The Organization may elect to make a discretionary contribution. During the years ended March 31, 2015 and 2014, the Organization made contributions of \$60,368 and \$50,416, respectively, to the plan.

The Organization has an eligible deferred compensation plan under Section 457(b) of the Internal Revenue Code. The Organization's President/CEO was granted eligibility to participate in the plan. During the years ended March 31, 2015 and 2014, the Organization's contributions to the plan were \$11,493 and \$11,150, respectively.

NOTE 10 - LEASES

The Organization has two noncancelable operating leases, for a copier and postage meter that expire within the next three years. Rental expenses for those leases were \$5,291 and \$5,045, respectively, for the years ended March 31, 2015 and 2014.

Future minimum lease payments under operating leases that have initial terms in excess of one year as of March 31, 2015 are:

Years ending March 31:

2016	\$ 5,291
2017	5,291
2018	<u>4,252</u>
Total	<u>\$ 14,834</u>

UNITED WAY FOX CITIES, INC.
NOTES TO FINANCIAL STATEMENTS
March 31, 2015 and 2014

NOTE 11 - FUNCTIONAL OVERHEAD ANALYSIS

Functional overhead expenses and overhead rate as determined according to the *United Way of America Functional and Overhead Reporting Guidelines* for the years ended March 31, 2015 and 2014 are as follows:

Function overhead expenses (excluding in-kind expenses)

	<u>2015</u>	<u>2014</u>
Management and general:		
Office operations	\$ 472,304	\$ 359,080
Marketing	166,725	99,038
 Fund-raising:		
Campaign	<u>567,718</u>	<u>602,981</u>
 Total function overhead expenses (excluding in-kind expenses)	 <u>\$ 1,206,747</u>	 <u>\$ 1,061,099</u>
 Total revenue* (including designations/excluding in-kind donations)	 <u>\$ 9,107,134</u>	 <u>\$ 8,435,382</u>
 Overhead rate	 13.3%	 12.6%

**Includes \$154,142 and \$10,151 of endowment campaign revenue for the years ended March 31, 2015 and 2014, respectively.*

NOTE 12 - PLEDGE TO COMPLY WITH UNITED WAY OF AMERICA STANDARD M

The expenses associated with processing donor designated promises to give are recovered by an assessment for fundraising fees based on actual historical costs in accordance with United Way Worldwide Membership Standards as outlined in their publication titled *United Way of America Cost Reduction Requirements for Membership Standard M*.

UNITED WAY FOX CITIES, INC.
NOTES TO FINANCIAL STATEMENTS
March 31, 2015 and 2014

NOTE 13 - FAIR VALUE MEASUREMENTS

Accounting standards establish a framework for measuring fair value and expand the disclosures on fair value measurements in financial statements by specifying a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources, whereas unobservable inputs reflect the Organization's market assumptions. The fair value hierarchy specified is as follows:

- Level 1 - Quoted prices in active markets for identical assets and liabilities.
- Level 2 - Quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active or other inputs that are observable or can be corroborated by observable market data.
- Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The following table presents, for each of the fair value hierarchy levels, the Organizations financial assets and liabilities that are measured at fair value on a recurring basis:

2015 Fair Value Measurements Using

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Assets</u>				
Certificates of deposit	\$ -	\$ 1,949,218	\$ -	\$ 1,949,218
Endowment campaign promises receivable	-	-	2,000	2,000
Beneficial interest	-	-	1,603,505	1,603,505
Section 457 Plan	<u>132,075</u>	<u>-</u>	<u>-</u>	<u>132,075</u>
Total assets at fair value	<u>\$ 132,075</u>	<u>\$ 1,949,218</u>	<u>\$ 1,605,505</u>	<u>\$ 3,686,798</u>
<u>Liability</u>				
Section 457 Plan	<u>\$ 132,075</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 132,075</u>

2014 Fair Value Measurements Using

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Assets</u>				
Certificates of deposit	\$ -	\$ 2,050,352	\$ -	\$ 2,050,352
Endowment campaign promises receivable	-	-	3,002	3,002
Beneficial interest	-	-	1,123,031	1,123,031
Section 457 Plan	<u>118,502</u>	<u>-</u>	<u>-</u>	<u>118,502</u>
Total assets at fair value	<u>\$ 118,502</u>	<u>\$ 2,050,352</u>	<u>\$ 1,126,033</u>	<u>\$ 3,294,887</u>
<u>Liability</u>				
Section 457 Plan	<u>\$ 118,502</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 118,502</u>

UNITED WAY FOX CITIES, INC.
NOTES TO FINANCIAL STATEMENTS
March 31, 2015 and 2014

NOTE 13 - FAIR VALUE MEASUREMENTS (CONTINUED)

There have been no changes in the methodologies used at March 31, 2015. Following is a description of the valuation methodologies used for assets measured at fair value:

Section 457 Plan - Fair values for the Section 457 Plan are determined by reference to quoted market prices.

Certificates of Deposit - Fair values for the certificates of deposit are determined to be comparable to similar financial assets not actively traded with values approximating cost.

Endowment Campaign Promises Receivable - Fair values for promises receivable are determined by calculating the net present value of future cash flows using rates of similar risk-free monetary assets. Management has determined the risk of nonperformance for promises receivable is remote and has not adjusted the risk-free rates used.

Beneficial Interest - Fair values for the beneficial interest are determined from information provided by the Community Foundation on pooled investments in both marketable securities and other investments including private investment funds, hedge funds, real estate asset funds and private equity funds that do not have readily determinable fair values. Valuations for these other investments involve estimates, appraisals, assumptions and other valuation methods.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes the 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.

The following table sets forth a summary of changes in the fair value of the Organization's assets valued on a recurring basis using Level 3 inputs for the years ending March 31, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Endowment campaign promises receivable		
Balance, beginning	\$ 3,002	\$ 15,599
Promises received	154,142	10,151
Payments received	<u>(155,144)</u>	<u>(22,748)</u>
Balance, ending	<u>\$ 2,000</u>	<u>\$ 3,002</u>
Beneficial interest in assets at Community Foundation		
Balance, beginning	\$ 1,123,031	\$ 970,606
Contributions invested	455,164	51,153
Distributions received	-	(5,000)
Return on investment in beneficial interest	<u>25,310</u>	<u>106,272</u>
Balance, ending	<u>\$ 1,603,505</u>	<u>\$ 1,123,031</u>

UNITED WAY FOX CITIES, INC.
NOTES TO FINANCIAL STATEMENTS
March 31, 2015 and 2014

NOTE 14- SUBSEQUENT EVENTS

Management evaluated subsequent events through July 28, 2015, the date the accompanying financial statements were available to be issued. Events or transactions occurring after March 31, 2015, but prior to July 28, 2015, that provided additional evidence about conditions that existed at March 31, 2015, have been recognized in the accompanying financial statements for the year ended March 31, 2015. Events or transactions that provided evidence about conditions that did not exist at March 31, 2015 but arose before the accompanying financial statements were available to be issued have not been recognized in the accompanying financial statements for the year ended March 31, 2015.

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

SUPPLEMENTARY INFORMATION

UNITED WAY FOX CITIES, INC.
SCHEDULES OF PARTNER PROGRAM EXPENSES
Years Ended March 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Advocap	\$ 43,382	\$ 41,316
AIDS Resource Center of Wisconsin	63,665	63,665
American Red Cross in Northeast Wisconsin Chapter	102,701	102,335
The ARC Fox Cities	249,815	250,055
Best Friends of Neenah-Menasha	143,651	147,234
Big Brothers/Big Sisters of the Fox Valley Region	147,407	161,100
Boys' and Girls' Brigade Association	30,000	37,000
Boys and Girls Club of the Fox Valley	286,815	284,479
CAP Services, Inc.	94,402	91,652
Catalpa Health	80,730	80,730
Catholic Charities of the Diocese of Green Bay	136,629	135,740
Cerebral Palsy Mideast Wisconsin	46,079	44,737
Child Care Resource and Referral, Inc.	69,181	68,977
Christine Ann Domestic Abuse Services	114,150	110,750
Community Family Resource Center	17,978	17,978
Emergency Shelter of the Fox Valley	148,600	145,500
Family Services of Northeast Wisconsin	324,641	318,276
Financial Information and Service Center	191,846	191,846
Fox Valley Literacy Coalition	83,294	80,868
Friendship Place	104,900	101,800
Girl Scouts of the Northwestern Great Lakes	135,000	146,315
Harbor House Domestic Abuse Program	146,500	142,000
Hmong-American Partnership	132,763	139,565
Housing Partnership of the Fox Cities	50,000	40,000
Legal Services of Northeast Wisconsin	73,951	53,058
Lutheran Social Services	253,404	246,024
National Alliance on Mental Illness (NAMI) Fox Valley	66,500	65,346
Neenah-Menasha Dental Clinic	44,820	35,166
Neenah-Menasha Dial-A-Ride	8,500	8,500
Non-Profit Affordable Housing Based Rental Services (NAHBRS)	9,240	9,240
Partnership Community Health Center	102,500	100,000
Project Bridges Day Care and Preschool	128,750	125,000
Reach Counseling Services	155,175	150,656
Sexual Assault Crisis Center of the Fox Cities	133,625	129,695
Valley Packaging Industries	219,226	238,141
Villa Hope	22,000	22,000
YMCA of the Fox Cities	565,701	567,722
Youth-Go	<u>192,843</u>	<u>192,843</u>
	4,920,364	4,887,309
Less expenses funded through designations	<u>(497,306)</u>	<u>(403,811)</u>
Net partner agency program expenses	<u>\$ 4,423,058</u>	<u>\$ 4,483,498</u>

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