

**UNITED WAY FOX CITIES, INC.
MENASHA, WISCONSIN**

FINANCIAL STATEMENTS

YEARS ENDED MARCH 31, 2016 AND 2015

**UNITED WAY FOX CITIES, INC.
TABLE OF CONTENTS
YEARS ENDED MARCH 31, 2016 AND 2015**

INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
STATEMENTS OF FINANCIAL POSITION	3
STATEMENTS OF ACTIVITIES	4
STATEMENTS OF FUNCTIONAL EXPENSES	6
STATEMENTS OF CASH FLOWS	10
NOTES TO FINANCIAL STATEMENTS	11
SUPPLEMENTARY INFORMATION	
SCHEDULES OF PARTNER PROGRAM EXPENSES	22

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 statements of financial position as of March 31, 2016 and 2015, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of United Way Fox Cities, Inc. as of March 31, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis-of-Matter Regarding a Correction of an Error

As discussed in Note 2 to the financial statements, unrestricted net assets and related inventory were understated for the year ended March 31, 2014. Accordingly, amounts reported for inventory and unrestricted net assets have been restated in the 2015 financial statements now presented, and adjustments have been made to properly record unrestricted net assets and related inventory as of April 1, 2014, as well as contributions and program services expenses for the year ended March 31, 2015 to correct the error. Our opinion is not modified with respect to that matter.

Report on Supplementary Information

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



CliftonLarsonAllen LLP

Oshkosh, Wisconsin
July 26, 2016

UNITED WAY FOX CITIES, INC.
STATEMENTS OF FINANCIAL POSITION
MARCH 31, 2016 AND 2015

	2016	As Restated 2015
ASSETS		
Cash and Cash Equivalents	\$ 1,911,683	\$ 2,854,983
Certificates of Deposit	106,022	1,949,218
Promises Receivable:		
Annual Campaign, Net of Allowance	4,055,476	4,218,845
Endowment Campaign	1,184	2,000
Other Receivables	204,848	136,328
Diaper Inventory	188,944	151,230
Prepaid Expenses	19,143	22,591
Property and Equipment, Net	1,111,886	1,117,345
Beneficial Interest in Assets at Community Foundation	4,971,061	1,603,505
Other Assets	164,968	157,639
Total Assets	\$ 12,735,215	\$ 12,213,684
LIABILITIES AND NET ASSETS		
LIABILITIES		
Community Investments Payable	\$ 3,783,295	\$ 3,660,054
Community Investment Fund Grants Payable	145,730	158,522
Payable to Other Communities/Agencies	207,798	203,036
Accounts Payable	209,548	155,493
Grants Payable	450,110	95,006
Accrued Expenses	86,266	108,902
Other Liabilities	138,638	132,075
Total Liabilities	5,021,385	4,513,088
NET ASSETS		
Unrestricted:		
Board Designated	5,934,415	5,754,931
Undesignated	101,332	255,272
Net Investment in Property and Equipment	1,111,886	1,117,345
Total Unrestricted Net Assets	7,147,633	7,127,548
Temporarily Restricted:		
Endowment Program Expenses	50,565	69,997
Subsequent Year Campaign	41,671	46,806
Subsequent Year Programs	84,773	91,712
Total Temporarily Restricted Net Assets	177,009	208,515
Permanently Restricted Net Assets	389,188	364,533
Total Net Assets	7,713,830	7,700,596
Total Liabilities and Net Assets	\$ 12,735,215	\$ 12,213,684

See accompanying Notes to Financial Statements.

**UNITED WAY FOX CITIES, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED MARCH 31, 2016 AND 2015**

	2016	As Restated 2015
UNRESTRICTED NET ASSETS		
Revenue		
Contributions:		
Gross Current Campaign Results	\$ 8,302,195	\$ 8,460,653
Gross Past Campaign Results	102,131	135,340
Less:		
Donor Designations to United Way Partner Agencies	(489,551)	(497,306)
Donor Designations to Other Communities/Agencies	(394,987)	(447,288)
Provision For Uncollectible Promises	(288,017)	(244,519)
Net Campaign Revenue	7,231,771	7,406,880
Designations from Other United Ways	64,913	63,771
In-Kind Contributions	313,733	76,763
Service Fees	49,838	50,342
Investment Income	3,646	11,199
Miscellaneous	48,589	39,602
Net Assets Released from Restrictions:		
Restrictions Satisfied by Payments	424,884	341,829
Total Revenue	8,137,374	7,990,386
Expenses		
Program Services:		
Community Impact Programs:		
Developing Children and Youth	1,601,764	1,618,495
Strengthening Families	929,363	878,182
Promoting Health, Healing and Crisis Intervention	1,598,923	1,545,818
Providing Basic Needs and Self Sufficiency	937,620	877,869
Less: Expenses Funded Through Designations	(489,551)	(497,306)
Net Partner Agency Program Expenses	4,578,119	4,423,058
Community Investment Fund Grants	1,059,581	965,564
Community Services Provided by United Way:		
Community Development	422,431	397,647
2-1-1 Program	214,303	201,972
AFL-CIO Labor Program	89,645	82,936
Youth Board	30,018	32,750
Weight of the Fox Valley	126,377	96,921
FEMA	1,457	5,392
Life Needs	93,704	600
Diaper Bank Project	202,932	87,800
Total Program Services	6,818,567	6,294,640
Management and General:		
Office Operations	472,375	472,402
Marketing	173,395	171,228
Total Management and General	645,770	643,630
Fund-Raising - Campaign	603,203	613,296
Total Expenses	8,067,540	7,551,566
Total Revenue in Excess of Expenses	69,834	438,820

See accompanying Notes to Financial Statements.

UNITED WAY FOX CITIES, INC.
STATEMENTS OF ACTIVITIES (CONTINUED)
YEARS ENDED MARCH 31, 2016 AND 2015

	<u>2016</u>	<u>As Restated 2015</u>
UNRESTRICTED NET ASSETS (CONTINUED)		
Other Changes in Net Assets		
Change in Beneficial Interest in Assets at Community Foundation	\$ (49,749)	\$ 18,058
Total Other Changes in Net Assets	<u>(49,749)</u>	<u>18,058</u>
Change in Unrestricted Net Assets	20,085	456,878
Unrestricted Net Assets - Beginning	<u>7,127,548</u>	<u>6,670,670</u>
Unrestricted Net Assets - Ending	<u>7,147,633</u>	<u>7,127,548</u>
 TEMPORARILY RESTRICTED NET ASSETS		
Revenue		
Subsequent Year Campaign Results	41,671	46,806
Contributions	371,140	326,504
Net Assets Released From Restriction	<u>(424,884)</u>	<u>(341,829)</u>
Total Revenue	<u>(12,073)</u>	<u>31,481</u>
Other Changes in Net Assets		
Change in Beneficial Interest In Assets At Community Foundation	(19,433)	7,252
Total Other Changes in Net Assets	<u>(19,433)</u>	<u>7,252</u>
Change in Temporarily Restricted Net Assets	(31,506)	38,733
Temporarily Restricted Net Assets - Beginning	<u>208,515</u>	<u>169,782</u>
Temporarily Restricted Net Assets - Ending	<u>177,009</u>	<u>208,515</u>
 PERMANENTLY RESTRICTED NET ASSETS		
Endowment Campaign Contributions	24,655	154,142
Permanently Restricted Net Assets - Beginning	<u>364,533</u>	<u>210,391</u>
Permanently Restricted Net Assets - Ending	<u>389,188</u>	<u>364,533</u>
 TOTAL NET ASSETS		
Change in Net Assets	13,234	649,753
Net Assets - Beginning	<u>7,700,596</u>	<u>7,050,843</u>
Net Assets - Ending	<u>\$ 7,713,830</u>	<u>\$ 7,700,596</u>

See accompanying Notes to Financial Statements.

UNITED WAY FOX CITIES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED MARCH 31, 2016

	Community Services				
	Community Investments	2-1-1 Program	AFL-CIO Labor Program	Youth Board	Weight of the Fox Valley (WOTFV)
Community Investments	\$ 6,127,251	\$ -	\$ -	\$ -	\$ -
Less: Donor Designations	(489,551)	-	-	-	-
Subtotal	<u>5,637,700</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Salaries	223,289	106,255	52,526	7,459	65,008
Payroll Taxes	17,081	8,844	3,758	712	5,273
Health Insurance	22,745	11,487	13,338	118	688
Retirement	18,984	6,254	4,679	242	1,686
Other Benefits	2,199	1,437	(217)	259	2,710
Total Salaries and Related Expenses	<u>284,298</u>	<u>134,277</u>	<u>74,084</u>	<u>8,790</u>	<u>75,365</u>
Outside Printing	-	261	458	-	-
Communication	2,517	-	67	397	2,301
Promotion	-	2,188	180	-	7,277
Occupancy	6,496	4,022	1,237	464	1,083
Training/Development/Conferences	5,503	719	2,263	615	-
Travel, Meals and Events	3,404	454	788	17,560	14,877
Professional Services	-	15,338	-	-	18,721
Telephone	3,268	22,283	531	330	1,212
Office Supplies	1,221	618	719	156	451
Diapers	-	-	-	-	-
Postage	273	93	477	53	394
Equipment Repair and Maintenance	7,774	4,842	1,474	553	1,393
Licensing	-	5,951	-	-	-
Insurance	1,095	678	209	78	183
Dues and Subscriptions	3,558	550	399	-	-
Affiliation Dues - UWWI and UWWW	26,222	13,111	4,034	-	-
Depreciation	14,308	8,858	2,725	1,022	2,385
Non-Profit Development	49,294	-	-	-	-
Miscellaneous	13,200	60	-	-	735
Total	<u>\$ 6,060,131</u>	<u>\$ 214,303</u>	<u>\$ 89,645</u>	<u>\$ 30,018</u>	<u>\$ 126,377</u>

See accompanying Notes to Financial Statements.

			Management and General		Fund-raising		
FEMA	Life Needs	Diaper Bank Project	Office Operations	Marketing/ Communications	Resource Development		Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ 6,127,251
-	-	-	-	-	-		(489,551)
-	-	-	-	-	-		5,637,700
1,049	10,059	-	254,275	85,778	288,023		1,093,721
81	734	-	17,461	6,116	21,870		81,930
111	1,573	-	37,428	21,347	36,227		145,062
84	630	-	20,142	6,945	23,146		82,792
20	415	-	1,732	(1,482)	4,860		11,933
1,345	13,411	-	331,038	118,704	374,126		1,415,438
-	-	-	963	9,549	24,706		35,937
-	-	-	704	34	54,738		60,758
-	-	-	215	111	-		9,971
-	-	24,000	8,125	2,475	8,043		55,945
-	-	-	581	1,413	5,515		16,609
30	-	-	3,159	5,975	42,512		88,759
-	80,279	-	28,206	13,524	1,014		157,082
-	-	-	4,374	2,055	5,032		39,085
23	-	-	4,023	276	8,243		15,730
-	-	178,932	-	-	-		178,932
59	14	-	1,053	1,968	9,120		13,504
-	-	-	15,583	2,948	15,164		49,731
-	-	-	600	-	951		7,502
-	-	-	15,023	417	1,356		19,039
-	-	-	1,995	50	737		7,289
-	-	-	23,196	8,068	26,222		100,853
-	-	-	15,671	5,451	17,715		68,135
-	-	-	-	-	-		49,294
-	-	-	17,866	377	8,009		40,247
\$ 1,457	\$ 93,704	\$ 202,932	\$ 472,375	\$ 173,395	\$ 603,203		\$ 8,067,540

UNITED WAY FOX CITIES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED MARCH 31, 2015, AS RESTATED

	Community Services				
	Community Investments	2-1-1 Program	AFL-CIO Labor Program	Youth Board	Weight of the Fox Valley (WOTFV)
Community Investments	\$ 5,885,928	\$ -	\$ -	\$ -	\$ -
Less: Donor Designations	(497,306)	-	-	-	-
Subtotal	<u>5,388,622</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Salaries	222,483	106,982	45,853	9,430	42,090
Payroll Taxes	17,376	9,139	3,397	891	3,566
Health Insurance	25,184	8,905	11,848	357	-
Retirement	14,910	8,045	4,120	260	230
Other Benefits	13,118	(1,750)	2,792	64	-
Total Salaries and Related Expenses	<u>293,071</u>	<u>131,321</u>	<u>68,010</u>	<u>11,002</u>	<u>45,886</u>
Outside Printing	823	626	238	-	35
Communication	258	-	109	343	-
Promotion	-	6,129	125	-	-
Occupancy	7,151	4,590	1,360	680	667
Training/Development/Conferences	3,643	1,348	2,336	660	12,457
Travel, Meals and Events	12,235	868	855	17,134	17,477
Professional Services	5,631	16,477	-	-	1,416
Telephone	3,114	8,497	510	377	1,137
Office Supplies	1,600	797	330	370	289
Diapers	-	-	-	-	-
Postage	290	316	334	123	384
Equipment Repair and Maintenance	7,359	4,731	1,402	701	844
Licensing	-	1,613	-	-	-
Insurance	1,362	867	257	128	115
Dues and Subscriptions	3,330	575	399	-	-
Affiliation Dues - UWWI and UWWW	21,996	12,455	3,991	-	-
Depreciation	14,167	8,315	2,464	1,232	-
Non-Profit Development	21,290	-	-	-	-
Miscellaneous	327	2,447	216	-	16,214
Total	<u>\$ 5,786,269</u>	<u>\$ 201,972</u>	<u>\$ 82,936</u>	<u>\$ 32,750</u>	<u>\$ 96,921</u>

See accompanying Notes to Financial Statements.

FEMA	Life Needs	Diaper Bank Project	Management and General		Fund-raising	Total
			Office Operations	Marketing/ Communications	Resource Development	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,885,928
-	-	-	-	-	-	(497,306)
-	-	-	-	-	-	5,388,622
4,173	437	-	253,077	77,457	297,625	1,059,607
333	32	-	16,841	5,912	21,976	79,463
450	65	-	39,378	19,111	43,868	149,166
333	36	-	17,342	4,687	21,898	71,861
74	30	-	14,717	3,640	4,907	37,592
5,363	600	-	341,355	110,807	390,274	1,397,689
29	-	-	557	10,823	23,704	36,835
-	-	-	818	-	55,252	56,780
-	-	-	468	-	-	6,722
-	-	-	6,966	2,209	10,875	34,498
-	-	-	5,594	1,629	3,740	31,407
-	-	-	3,700	4,809	33,738	90,816
-	-	-	32,031	23,264	844	79,663
-	-	-	5,256	1,684	5,267	25,842
-	-	-	5,389	359	2,701	11,835
-	-	87,800	-	-	-	87,800
-	-	-	439	2,534	7,300	11,720
-	-	-	17,020	2,278	16,818	51,153
-	-	-	600	-	-	2,213
-	-	-	14,660	417	2,056	19,862
-	-	-	1,475	-	1,002	6,781
-	-	-	18,500	5,667	30,618	93,227
-	-	-	11,703	4,004	19,708	61,593
-	-	-	-	-	-	21,290
-	-	-	5,871	744	9,399	35,218
\$ 5,392	\$ 600	\$ 87,800	\$ 472,402	\$ 171,228	\$ 613,296	\$ 7,551,566

UNITED WAY FOX CITIES, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED MARCH 31, 2016 AND 2015

	2016	As Restated 2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 13,234	\$ 649,753
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	68,135	61,593
Loss on Disposal of Property and Equipment	10,038	-
Change in Allowance for Uncollectible Promises	22,139	114,447
Change in Beneficial Interest in Assets at Community Foundation	69,182	(25,310)
Long-Term Contributions for Endowment	(24,655)	(154,142)
Changes in Operating Assets and Liabilities:		
Promises Receivable	142,046	(590,924)
Other Receivables	(68,520)	(120,943)
Diaper Inventory	(37,714)	(4,456)
Prepaid Expenses	3,448	(2,993)
Other Assets	(7,329)	(14,318)
Community Investments Payable	123,241	6,028
Community Investment Fund Grants Payable	(12,792)	(78,038)
Payable to Other Communities/Agencies	4,762	15,136
Accounts Payable	54,055	95,485
Grants Payable	355,104	95,006
Accrued Expenses	(22,636)	3,198
Other Liabilities	6,563	13,573
Net Cash Provided by Operating Activities	698,301	63,095
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Property and Equipment	(72,714)	(12,359)
Certificates of Deposit, Net	1,843,196	101,134
Cash Paid for Beneficial Interest in Assets at Community Foundation	(3,439,422)	(456,166)
Net Cash Used in Investing Activities	(1,668,940)	(367,391)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Long-Term Contributions for Endowment	27,339	155,144
NET DECREASE IN CASH AND CASH EQUIVALENTS	(943,300)	(149,152)
Cash and Cash Equivalents - Beginning of Year	2,854,983	3,004,135
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 1,911,683	\$ 2,854,983

See accompanying Notes to Financial Statements.

UNITED WAY FOX CITIES, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2016 AND 2015

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.

Inventory

Inventory, which consists entirely of diapers, is valued at the lower of cost of market, with cost determined on the first-in, first-out method.

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 over the estimated useful life of the assets.

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, 2016 AND 2015

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, 2016 AND 2015**

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)(1). 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, 2016.

Subsequent Events

The Organization has evaluated subsequent events through July 26, 2016, the date the financial statements were available to be issued.

NOTE 2 RESTATEMENT

During the current year, it was determined that inventory and certain activity related to the Organization's diaper bank program were not properly recorded. Therefore, the beginning net assets as of April 1, 2014 and the 2015 financial statements have been restated to increase inventory, unrestricted net assets, contributions, and program services expenses as noted below:

	<u>Balance Prior to Restatement</u>	<u>Adjustment</u>	<u>Balance as Restated</u>
Unrestricted Net Assets as of April 1, 2014	\$ 6,523,896	\$ 146,774	\$ 6,670,670
Inventory as of March 31, 2015	-	151,230	151,230
Unrestricted Net Assets as of March 31, 2015	6,976,318	151,230	7,127,548
In-Kind Contributions - 2015	59,603	17,160	76,763
Program Services Expenses - 2015	6,281,936	12,704	6,294,640

UNITED WAY FOX CITIES, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2016 AND 2015

NOTE 3 SIGNIFICANT CONCENTRATIONS

U.S. generally accepted accounting principles require disclosure of information about certain significant estimates and current vulnerabilities due to certain concentrations. These matters included the following:

Contributions from Major Donors

The Organization had contributions from three major donors representing 49% of its contribution revenue and 46% of its ending promises to give balance for the year ended March 31, 2016.

The Organization had contributions from three major donors representing 49% of its contribution revenue and 56% of its ending promises to give balance for the year ended March 31, 2015.

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. The Organization's cash deposits may exceed these federally insured limits at times during the year. As of March 31, 2016 and 2015, balances in excess of FDIC coverage approximated \$1,646,000 and \$2,590,000, 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 4 CERTIFICATES OF DEPOSIT

Certificates of deposit totaling \$106,022 and \$1,949,218 at March 31, 2016 and 2015, respectively, are included in the accompanying financial statements at cost. As of March 31, 2016, the Organization had one remaining certificate of deposit with interest at 0.3% due July 31, 2016 that includes 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, 2016 AND 2015

NOTE 5 PROMISES RECEIVABLE

Promises receivable are primarily due from individuals and organizations located in the Fox Valley region. Promises receivable as of March 31, 2016 and 2015 consist of the following:

	2016	2015
Annual Campaign:		
2016 Campaign	\$ 10,000	\$ -
2015 Campaign	4,177,639	-
2014 Campaign	381,161	4,433,057
2013 Campaign	-	276,973
Subtotal	4,568,800	4,710,030
Less: Provision for Uncollectible Amounts	513,324	491,185
Net Campaign Promises Receivable	\$ 4,055,476	\$ 4,218,845
Endowment Campaign:		
Receivable in Less than One Year	\$ 1,184	\$ 2,000

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 6 PROPERTY AND EQUIPMENT

Property and equipment consists of the following at March 31:

	2016	2015
Land	\$ 15,000	\$ 15,000
Buildings and Improvements	1,251,892	1,261,665
Office Furnishings and Equipment	414,238	353,493
Subtotal	1,681,130	1,630,158
Less: Accumulated Depreciation	569,244	512,813
Total	\$ 1,111,886	\$ 1,117,345

NOTE 7 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.

**UNITED WAY FOX CITIES, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2016 AND 2015**

NOTE 7 BENEFICIAL INTEREST IN ASSETS AT COMMUNITY FOUNDATION (CONTINUED)

The following is a description of each fund at March 31:

	2016	2015
<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.	\$ 125,058	\$ 134,137
<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.	381,645	393,721
<u>Reserve Investment Funds</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.	2,693,033	967,680
<u>Operating Funds</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 invested in the intermediate term pool within the CFFVR. Distributions may be made in any amount, so long as a balance remains in the fund. This fund is presented in the financial statements as unrestricted board designated net assets.	1,660,440	-
<u>Impact Area Endowment Funds</u>		
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 designed 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.	110,885	107,967
Total Beneficial Interest in Assets at Community Foundation	\$ 4,971,061	\$ 1,603,505

UNITED WAY FOX CITIES, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2016 AND 2015

NOTE 8 BOARD-DESIGNATED NET ASSETS

The Organization's Board of Directors has chosen to designate unrestricted net assets for the following purposes at March 31:

	2016	2015
Reserve	\$ 2,782,165	\$ 2,742,165
Managed Impact Solutions (MIS)	1,040,000	1,040,000
Capital Replacement	246,139	246,139
Diaper Bank	268,944	80,000
LIFE/Needs Assessment	28,708	60,000
Providing Access to Healing (PATH) for Students	366,587	500,000
Community Early Learning Center/Early Learning Coalition	100,000	100,000
Weight of the Fox Valley	77,889	100,000
Early Learning Fund (with CFFVR)	150,000	150,000
The Connector	83,328	133,332
Strategic Investments 2017	600,000	400,000
Endowments:		
Legacy of Caring	97,586	104,671
Impact Area	48,182	51,640
Administrative	44,887	46,984
Total	<u>\$ 5,934,415</u>	<u>\$ 5,754,931</u>

NOTE 9 TEMPORARILY RESTRICTED NET ASSETS

Net assets temporarily restricted for subsequent year programs consist of the following at March 31:

	2016	2015
Volunteer Project	\$ 66	\$ 1,262
Early Childhood Initiative	15,000	15,000
Leading Indicators for Excellence (LIFE) in Motion	11,748	11,748
Emerging Leaders	12,081	8,657
Youth Worker Coalition	566	566
Weight of the Fox Valley	-	54,479
Born Learning Trial	12,658	-
Diaper Bank	32,654	-
Total	<u>\$ 84,773</u>	<u>\$ 91,712</u>

NOTE 10 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, 2016 and 2015, the Organization made contributions of \$70,922 and \$60,368, respectively, to the plan.

UNITED WAY FOX CITIES, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2016 AND 2015

NOTE 10 RETIREMENT PLAN (CONTINUED)

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, 2016 and 2015, the Organization's contributions to the plan were \$11,870 and \$11,493, respectively.

NOTE 11 LEASES

The Organization has two noncancelable operating leases for office equipment. Rental expenses for those leases were \$5,291 for each of the years ended March 31, 2016 and 2015.

Future minimum lease payments under operating leases that have initial terms in excess of one year as of March 31, 2016 are:

<u>Years Ending March 31:</u>	
2017	\$ 5,291
2018	4,252
Total	<u>\$ 9,543</u>

NOTE 12 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, 2016 and 2015 are as follows:

Functional Overhead Expenses (Excluding In-Kind Expenses)

	2016	2015
Management and General:		
Office Operations	\$ 466,711	\$ 472,304
Marketing	169,664	166,725
Fund-Raising:		
Campaign	553,684	567,718
Total Functional Overhead Expenses (Excluding In-Kind Expenses)	\$ 1,190,059	\$ 1,206,747
Total Revenue* (Including Designations/Excluding In-Kind Donations)	\$ 8,637,619	\$ 9,107,134
Overhead Rate	13.7%	13.3%

* Includes \$24,655 and \$154,142 of endowment campaign revenue for the years ended March 31, 2016 and 2015, respectively.

UNITED WAY FOX CITIES, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2016 AND 2015

NOTE 13 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.

NOTE 14 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 Organization's financial assets and liabilities that are measured at fair value on a recurring basis at March 31:

	2016 Fair Value Measurements Using			
	Level 1	Level 2	Level 3	Total
Assets				
Beneficial Interest	\$ -	\$ -	\$ 4,971,061	\$ 4,971,061
Section 457 Plan	138,638	-	-	138,638
Total Assets at Fair Value	<u>\$ 138,638</u>	<u>\$ -</u>	<u>\$ 4,971,061</u>	<u>\$ 5,109,699</u>
Liability				
Section 457 Plan	<u>\$ 138,638</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 138,638</u>
	2015 Fair Value Measurements Using			
	Level 1	Level 2	Level 3	Total
Assets				
Beneficial Interest	\$ -	\$ -	\$ 1,603,505	\$ 1,603,505
Section 457 Plan	132,075	-	-	132,075
Total Assets at Fair Value	<u>\$ 132,075</u>	<u>\$ -</u>	<u>\$ 1,603,505</u>	<u>\$ 1,735,580</u>
Liability				
Section 457 Plan	<u>\$ 132,075</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 132,075</u>

**UNITED WAY FOX CITIES, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2016 AND 2015**

NOTE 14 FAIR VALUE MEASUREMENTS (CONTINUED)

There have been no changes in the methodologies used at March 31, 2016. 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 of the underlying mutual funds.

Beneficial Interest - Fair values for the beneficial interest are determined from information provided by the Community Foundation on pooled investment, which consist primarily of marketable securities, as well as other investments including private investment funds, hedge funds, real estate asset funds and private equity funds, which do not have readily determinable fair values. Valuations for these other investment involve estimates, appraisals, assumptions and other valuations methods. By definition, beneficial investments in Community Foundation pooled investments are considered Level 3 in the fair value hierarchy.

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 ended March 31, 2016 and 2015:

	2016	2015
Beneficial Interest in Assets at Community Foundation		
Balance - Beginning	\$ 1,603,505	\$ 1,123,031
Contributions Invested	3,436,738	455,164
Return on Investment in Beneficial Interest	(69,182)	25,310
Balance - Ending	\$ 4,971,061	\$ 1,603,505

NOTE 15 CONTRIBUTED GOODS AND SERVICES

No amounts have been reflected in the financial statements for contributed services that do not require specialized expertise. The Organization pays for most services requiring specific expertise. However, many individuals volunteer substantial amounts of time toward United Way sponsored community activities, campaign solicitations, and various committee assignments, which do not require specialized expertise or would not typically be purchased if not provided by donation.

**UNITED WAY FOX CITIES, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2016 AND 2015**

NOTE 15 CONTRIBUTED GOODS AND SERVICES (CONTINUED)

Various organizations have provided various goods or services at no charge, the value of which has been reflected as in-kind contributions in the statements of activities. The following table sets forth a summary of the contributed goods and services for the years ended March 31, 2016 and 2015:

		2016				
		Office				
	Program	Operation	Marketing	Campaign	Total	
Diapers	\$ 200,452	\$ -	\$ -	\$ -	\$ 200,452	
Other	54,364	5,670	3,729	49,518	113,281	
Total	\$ 254,816	\$ 5,670	\$ 3,729	\$ 49,518	\$ 313,733	
		2015				
		Office				
	Program	Operation	Marketing	Campaign	Total	
Diapers	\$ 17,160	\$ -	\$ -	\$ -	\$ 17,160	
Other	9,422	100	4,500	45,581	59,603	
Total	\$ 26,582	\$ 100	\$ 4,500	\$ 45,581	\$ 76,763	

UNITED WAY FOX CITIES, INC.
SCHEDULES OF PARTNER PROGRAM EXPENSES
YEARS ENDED MARCH 31, 2016 AND 2015

	2016	2015
Advocap	\$ 45,551	\$ 43,382
AIDS Resource Center of Wisconsin	63,665	63,665
American Red Cross in Northeast Wisconsin Chapter	102,701	102,701
Best Friends of Neenah-Menasha	140,915	143,651
Big Brothers/Big Sisters of the Fox Valley Region	151,829	147,407
Boys' and Girls' Brigade Association	30,000	30,000
Boys and Girls Club of the Fox Valley	295,419	286,815
CAP Services, Inc.	95,818	94,402
Catalpa Health	84,000	80,730
Catholic Charities of the Diocese of Green Bay	113,449	136,629
Cerebral Palsy Mideast Wisconsin	46,654	46,079
Child Care Resource and Referral, Inc.	69,181	69,181
Christine Ann Domestic Abuse Services	95,790	114,150
Community Family Resource Center	27,000	17,978
Family Services of Northeast Wisconsin	331,134	324,641
Financial Information and Service Center	191,846	191,846
Fox Valley Literacy Coalition	104,200	83,294
Fox Valley Warming Shelter	20,000	-
Friendship Place	107,161	104,900
Girl Scouts of the Northwestern Great Lakes	130,900	135,000
Harbor House Domestic Abuse Program	150,500	146,500
Hmong-American Partnership	101,000	132,763
Homeless Connections	165,800	148,600
Housing Partnership of the Fox Cities	55,000	50,000
Legal Action of Wisconsin	75,000	73,951
Lutheran Social Services	262,070	253,404
National Alliance on Mental Illness (NAMI) Fox Valley	116,500	66,500
Neenah-Menasha Dental Clinic	44,820	44,820
Neenah-Menasha Dial-A-Ride	8,500	8,500
Non-Profit Affordable Housing Based Rental Services (NAHBRS)	15,880	9,240
Partnership Community Health Center	122,500	102,500
Project Bridges Day Care and Preschool	132,750	128,750
Reach Counseling Services	159,830	155,175
Sexual Assault Crisis Center of the Fox Cities	133,625	133,625
SOAR Fox Cities	256,528	249,815
Valley Packaging Industries	228,370	219,226
Villa Hope	22,000	22,000
YMCA of the Fox Cities	573,784	565,701
Youth-Go	196,000	192,843
Subtotal	5,067,670	4,920,364
Less: Expenses Funded through Designations	(489,551)	(497,306)
Net Partner Agency Program Expenses	\$ 4,578,119	\$ 4,423,058

See accompanying Notes to Financial Statements.