

**UNITED WAY FOX CITIES, INC.
Menasha, Wisconsin**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEARS ENDED MARCH 31, 2018 AND 2017

**UNITED WAY FOX CITIES, INC.
TABLE OF CONTENTS
YEARS ENDED MARCH 31, 2018 AND 2017**

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 PARTNER PROGRAM EXPENSES	20

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, 2018 and 2017, 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 audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Board of Directors
United Way Fox Cities, Inc.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way Fox Cities, Inc. as of March 31, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of 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 audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.



CliftonLarsonAllen LLP

Oshkosh, Wisconsin
August 29, 2018

UNITED WAY FOX CITIES, INC.
STATEMENTS OF FINANCIAL POSITION
MARCH 31, 2018 AND 2017

	2018	2017
ASSETS		
Cash and Cash Equivalents	\$ 1,079,601	\$ 1,114,934
Promises Receivable:		
Annual Campaign, Net of Allowance	4,290,786	3,916,920
Endowment Campaign	-	346
Other Receivables	277,477	281,180
Diaper Inventory	220,831	263,181
Prepaid Expenses	21,875	22,312
Property and Equipment, Net	1,044,249	1,074,726
Beneficial Interest in Assets at Community Foundation	7,495,135	6,837,025
Other Assets	220,823	217,975
	\$ 14,650,777	\$ 13,728,599
Total Assets		
LIABILITIES AND NET ASSETS		
LIABILITIES		
Community Investments Payable	\$ 4,005,224	\$ 3,848,536
Community Investment Fund Grants Payable	59,449	65,383
Payable to Other Communities/Agencies	275,576	161,618
Accounts Payable	322,546	245,931
Grants Payable	339,189	229,495
Accrued Expenses	175,711	124,674
Other Liabilities	192,889	168,123
Total Liabilities	5,370,584	4,843,760
NET ASSETS		
Unrestricted:		
Board Designated	7,106,867	6,862,815
Undesignated	186,846	142,727
Net Investment in Property and Equipment	1,044,249	1,074,726
Total Unrestricted Net Assets	8,337,962	8,080,268
Temporarily Restricted:		
Endowment Program Expenses	177,686	104,774
Subsequent Year Campaign	52,453	54,262
Subsequent Year Programs	165,847	137,144
Total Temporarily Restricted Net Assets	395,986	296,180
Permanently Restricted Net Assets	546,245	508,391
Total Net Assets	9,280,193	8,884,839
Total Liabilities and Net Assets	\$ 14,650,777	\$ 13,728,599

See accompanying Notes to Financial Statements.

UNITED WAY FOX CITIES, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED MARCH 31, 2018 AND 2017

	2018	2017
UNRESTRICTED NET ASSETS		
Revenue:		
Contributions:		
Gross Current Campaign Results	\$ 8,980,607	\$ 8,637,678
Gross Past Campaign Results	99,850	83,444
Less:		
Donor Designations to United Way Partner Agencies	(378,736)	(428,823)
Donor Designations to Other Communities/Agencies	(340,329)	(312,504)
Provision for Uncollectible Promises	(291,778)	(440,409)
Net Campaign Revenue	8,069,614	7,539,386
Designations from Other United Ways	72,330	57,805
In-Kind Contributions	165,225	510,361
Service Fees	45,024	41,021
Investment Income	848	1,012
Miscellaneous	56,793	66,579
Net Assets Released from Restrictions:		
Restrictions Satisfied by Payments	359,192	339,225
Total Revenue	8,769,026	8,555,389
Expenses:		
Program Services:		
Community Impact Programs:		
Developing Children and Youth	1,566,788	1,624,455
Strengthening Families	1,045,618	939,704
Promoting Health, Healing, and Crisis Intervention	1,747,174	1,650,494
Providing Basic Needs and Self Sufficiency	978,862	958,123
Less: Expenses Funded Through Designations	(378,736)	(428,823)
Net Partner Agency Program Expenses	4,959,706	4,743,953
Community Investment Fund Grants	1,278,915	528,848
Community Services Provided by United Way:		
Community Development	491,268	438,568
2-1-1 Program	232,310	229,641
AFL-CIO Labor Program	16,824	110,737
Youth Board	36,210	30,979
Weight of the Fox Valley	149,361	133,146
FEMA	2,309	1,956
LIFE Study	24,824	29,259
Diaper Bank Project	175,352	344,993
AmeriCorps	40,470	-
HWPP - Healthy Kids Meal	4,901	-
Total Program Services	7,412,450	6,592,080
Management and General:		
Office Operations	504,771	502,162
Marketing	190,864	190,472
Total Management and General	695,635	692,634
Fundraising - Campaign	608,854	629,446
Total Expenses	8,716,939	7,914,160
Total Revenue in Excess of Expenses	52,087	641,229

See accompanying Notes to Financial Statements.

UNITED WAY FOX CITIES, INC.
STATEMENTS OF ACTIVITIES (CONTINUED)
YEARS ENDED MARCH 31, 2018 AND 2017

	2018	2017
UNRESTRICTED NET ASSETS (CONTINUED)		
Other Changes in Net Assets:		
Change in Beneficial Interest in Assets at Community Foundation	\$ 205,607	\$ 291,406
Change in Unrestricted Net Assets	257,694	932,635
Unrestricted Net Assets - Beginning of Year	8,080,268	7,147,633
Unrestricted Net Assets - End of Year	8,337,962	8,080,268
TEMPORARILY RESTRICTED NET ASSETS		
Revenue:		
Subsequent Year Campaign Results	52,453	54,262
Contributions	192,944	281,074
Net Assets Released from Restriction	(359,192)	(339,225)
Total Revenue	(113,795)	(3,889)
Other Changes in Net Assets:		
Change in Beneficial Interest In Assets at Community Foundation	213,601	123,060
Change in Temporarily Restricted Net Assets	99,806	119,171
Temporarily Restricted Net Assets - Beginning of Year	296,180	177,009
Temporarily Restricted Net Assets - End of Year	395,986	296,180
PERMANENTLY RESTRICTED NET ASSETS		
Endowment Campaign Contributions	37,854	119,203
Permanently Restricted Net Assets - Beginning of Year	508,391	389,188
Permanently Restricted Net Assets - End of Year	546,245	508,391
TOTAL NET ASSETS		
Change in Net Assets	395,354	1,171,009
Net Assets - Beginning of Year	8,884,839	7,713,830
Net Assets - End of Year	\$ 9,280,193	\$ 8,884,839

See accompanying Notes to Financial Statements.

UNITED WAY FOX CITIES, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
YEAR ENDED MARCH 31, 2018

Program Services	Management and General		Fundraising	Total	
	Office Operations	Marketing/ Communications	Resource Development		
Community Investments	\$ 6,617,357	\$ -	\$ -	\$ 6,617,357	
Less: Donor Designations	(378,736)	-	-	(378,736)	
Subtotal	6,238,621	-	-	6,238,621	
Salaries	446,868	263,001	97,389	325,383	1,132,641
Payroll Taxes	35,378	18,400	7,527	24,971	86,276
Health Insurance	33,726	20,123	8,662	35,440	97,951
Retirement	36,181	22,105	8,991	22,065	89,342
Other Benefits	31,395	36,589	11,126	13,893	93,003
Total Salaries and Related Expenses	583,548	360,218	133,695	421,752	1,499,213
Occupancy	36,814	7,058	2,957	8,184	55,013
Supplies	4,036	4,151	384	2,611	11,182
Diapers	153,152	-	-	-	153,152
Events	32,326	-	5,642	35,742	73,710
Travel and Meals	8,666	3,221	615	10,057	22,559
Telephone	12,716	3,433	1,569	4,182	21,900
Postage	1,585	2,282	830	7,012	11,709
Equipment Repair and Maintenance	18,873	22,462	3,645	16,123	61,103
Licensing	-	600	-	156	756
Training, Development, and Conferences	8,503	1,320	1,215	4,213	15,251
Professional Services	177,066	39,773	3,354	60	220,253
Dues and Subscriptions	4,560	791	-	800	6,151
Affiliation Dues - UWWI and UWW	46,303	20,353	9,159	25,950	101,765
Insurance	2,531	16,030	501	1,418	20,480
Miscellaneous	214	7,410	-	11,032	18,656
Depreciation	30,245	13,294	5,982	16,949	66,470
Outside Printing	4,366	1,271	18,653	19,257	43,547
Promotion	4,994	71	2,663	33	7,761
Communication	978	1,033	-	23,323	25,334
Nonprofit Development	42,353	-	-	-	42,353
Total	\$ 7,412,450	\$ 504,771	\$ 190,864	\$ 608,854	\$ 8,716,939

See accompanying Notes to Financial Statements.

UNITED WAY FOX CITIES, INC.
STATEMENTS OF FUNCTIONAL EXPENSES (CONTINUED)
YEAR ENDED MARCH 31, 2017

Program Services	Management and General		Fundraising	Total	
	Office Operations	Marketing/ Communications	Resource Development		
Community Investments	\$ 5,701,624	\$ -	\$ -	\$ 5,701,624	
Less: Donor Designations	(428,823)	-	-	(428,823)	
Subtotal	5,272,801	-	-	5,272,801	
Salaries	498,235	260,317	90,268	287,977	1,136,797
Payroll Taxes	38,675	18,937	6,507	22,044	86,163
Health Insurance	43,665	31,368	18,504	37,544	131,081
Retirement	39,077	20,890	8,340	21,303	89,610
Other Benefits	26,971	23,843	5,367	13,930	70,111
Total Salaries and Related Expenses	646,623	355,355	128,986	382,798	1,513,762
Occupancy	35,247	7,050	2,818	7,670	52,785
Supplies	3,957	4,910	374	1,882	11,123
Diapers	323,990	-	-	-	323,990
Events	40,561	95	5,836	38,977	85,469
Travel and Meals	8,210	3,754	685	10,970	23,619
Telephone	19,964	4,414	1,765	4,485	30,628
Postage	2,962	1,966	1,626	10,704	17,258
Equipment Repair and Maintenance	16,824	20,835	3,295	14,536	55,490
Licensing	3,705	600	-	991	5,296
Training, Development, and Conferences	7,888	5,247	2,700	5,020	20,855
Professional Services	69,637	36,796	14,068	1,291	121,792
Dues and Subscriptions	4,141	2,405	50	770	7,366
Affiliation Dues - UWWI and UWW	48,080	22,159	9,510	25,920	105,669
Insurance	3,961	16,332	783	2,133	23,209
Miscellaneous	2,362	4,991	23	8,378	15,754
Depreciation	29,772	13,086	5,889	16,685	65,432
Outside Printing	3,743	1,150	8,795	26,955	40,643
Promotion	9,411	-	3,269	30	12,710
Communication	1,359	1,017	-	69,251	71,627
Nonprofit Development	36,882	-	-	-	36,882
Total	\$ 6,592,080	\$ 502,162	\$ 190,472	\$ 629,446	\$ 7,914,160

See accompanying Notes to Financial Statements.

UNITED WAY FOX CITIES, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED MARCH 31, 2018 AND 2017

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 395,354	\$ 1,171,009
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
In-Kind Contributions of Other Assets	-	(45,868)
Other Assets Awarded to Donors	22,732	23,136
In-Kind Contributions of Diaper Inventory	(110,802)	(386,777)
Diaper Inventory Distributed to Community Members	153,152	312,540
Depreciation	66,470	65,432
Loss on Disposal of Property and Equipment	403	2,183
Change in Allowance for Uncollectible Promises	(26,687)	99,647
Change in Beneficial Interest in Assets at Community Foundation	(419,208)	(414,466)
Long-Term Contributions for Endowment	(37,854)	(119,203)
Changes in Operating Assets and Liabilities:		
Promises Receivable	(346,833)	39,747
Other Receivables	3,703	(76,332)
Prepaid Expenses	437	(3,169)
Other Assets	(25,580)	(30,275)
Community Investments Payable	156,688	65,241
Community Investment Fund Grants Payable	(5,934)	(80,347)
Payable to Other Communities/Agencies	113,958	(46,180)
Accounts Payable	76,615	36,383
Grants Payable	109,694	(220,615)
Accrued Expenses	51,037	38,408
Other Liabilities	24,766	29,485
Net Cash Provided by Operating Activities	202,111	459,979
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Property and Equipment	(36,396)	(30,455)
Certificates of Deposit, Net	-	106,022
Purchases of Beneficial Interest in Assets at Community Foundation	(238,902)	(1,448,814)
Net Cash Used by Investing Activities	(275,298)	(1,373,247)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Long-Term Contributions for Endowment	37,854	116,519
NET DECREASE IN CASH AND CASH EQUIVALENTS	(35,333)	(796,749)
Cash and Cash Equivalents - Beginning of Year	1,114,934	1,911,683
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 1,079,601	\$ 1,114,934
SUPPLEMENTAL DISCLOSURES OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Contributed Diaper Inventory Included in Diaper Inventory	\$ 220,831	\$ 263,181
Contributed Vehicle Included in Other Assets	\$ -	\$ 22,732

See accompanying Notes to Financial Statements.

**UNITED WAY FOX CITIES, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018 AND 2017**

NOTE 1 NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

United Way Fox Cities, Inc. (the 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 fundraising 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 or net realizable value, 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 statements of financial position.

UNITED WAY FOX CITIES, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018 AND 2017

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

Community Investments Payable

Community investments payable represent amounts pledged to the Organization's partner agencies. Payments are remitted to the partner agencies on a monthly basis.

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 nonfinancial 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.

UNITED WAY FOX CITIES, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018 AND 2017

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

Functional Allocation of Expenses (Continued)

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.

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, 2018.

Accounting Standard Updates

In August 2016, the Financial Accounting Standards Board issued Accounting Standards Update 2016-14, *Not-For-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*, which is expected to impact the information presented in financial statements and notes about a nonprofit entity's liquidity, financial performance, and cash flows. The guidance is required to be applied by the Organization for the year ending March 31, 2019; however, early application is permitted. The Organization is currently evaluating the impact this guidance will have on its financial statements.

Subsequent Events

The Organization has evaluated subsequent events through August 29, 2018, the date the financial statements were available to be issued.

NOTE 2 SIGNIFICANT CONCENTRATIONS

Accounting principles generally accepted in the United States of America 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 two major donors representing 39% of its contribution revenue and 36% of its ending promises to give balance for the year ended March 31, 2018.

The Organization had contributions from two major donors representing 39% of its contribution revenue and 35% of its ending promises to give balance for the year ended March 31, 2017.

UNITED WAY FOX CITIES, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018 AND 2017

NOTE 2 SIGNIFICANT CONCENTRATIONS (CONTINUED)

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, 2018 and 2017, balances in excess of FDIC coverage approximated \$850,000 and \$917,000, 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 PROMISES RECEIVABLE

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

	<u>2018</u>	<u>2017</u>
Annual Campaign:		
2018 Campaign	\$ 93	\$ -
2017 Campaign	4,590,362	903
2016 Campaign	286,615	4,202,606
2015 Campaign	-	326,382
Subtotal	<u>4,877,070</u>	<u>4,529,891</u>
Less: Provision for Uncollectible Amounts	586,284	612,971
Net Campaign Promises Receivable	<u>\$ 4,290,786</u>	<u>\$ 3,916,920</u>
Endowment Campaign:		
Receivable in Less than One Year	<u>\$ -</u>	<u>\$ 346</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 4 PROPERTY AND EQUIPMENT

Property and equipment consists of the following at March 31:

	<u>2018</u>	<u>2017</u>
Land	\$ 15,000	\$ 15,000
Buildings and Improvements	1,256,306	1,252,619
Office Furnishings and Equipment	397,098	367,088
Subtotal	<u>1,668,404</u>	<u>1,634,707</u>
Less: Accumulated Depreciation	624,155	559,981
Total	<u>\$ 1,044,249</u>	<u>\$ 1,074,726</u>

**UNITED WAY FOX CITIES, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018 AND 2017**

NOTE 5 BENEFICIAL INTEREST IN ASSETS AT COMMUNITY FOUNDATION

Beneficial interest in assets at Community Foundation (the 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 at March 31:

<u>Description</u>	2018	2017
<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.	\$ 3,469,144	\$ 3,131,130
<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.	3,076,563	2,882,950
<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.	654,841	555,941

**UNITED WAY FOX CITIES, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018 AND 2017**

NOTE 5 BENEFICIAL INTEREST IN ASSETS AT COMMUNITY FOUNDATION (CONTINUED)

<u>Description (Continued)</u>	<u>2018</u>	<u>2017</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.	\$ 156,141	\$ 141,521
<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.	<u>138,446</u>	<u>125,483</u>
Total Beneficial Interest in Assets at Community Foundation	<u>\$ 7,495,135</u>	<u>\$ 6,837,025</u>

UNITED WAY FOX CITIES, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018 AND 2017

NOTE 6 BOARD-DESIGNATED NET ASSETS

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

	<u>2018</u>	<u>2017</u>
Reserve	\$ 3,003,765	\$ 2,932,165
Managed Impact Solutions (MIS)	1,040,000	1,040,000
Capital Replacement	246,139	246,139
Diaper Bank	300,831	343,181
LIFE Study	68,168	3,168
PATH	759,100	806,691
Community Early Learning Center/Early Learning Coalition	37,500	100,000
Weight of the Fox Valley	177,199	261,975
Early Learning Fund (with CFFVR)	125,000	150,000
The Connector	243,328	143,328
Strategic Investments / Goals	875,000	620,000
Endowments:		
Legacy of Caring	114,106	110,433
Impact Area	60,157	54,524
Administrative	56,574	51,211
Total	<u>\$ 7,106,867</u>	<u>\$ 6,862,815</u>

NOTE 7 TEMPORARILY RESTRICTED NET ASSETS

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

	<u>2018</u>	<u>2017</u>
Early Childhood Initiative	\$ 15,000	\$ 15,000
Leading Indicators for Excellence (LIFE) in Motion	10,229	10,229
Emerging Leaders	21,257	13,388
Youth Worker Coalition	566	566
Health Advocacy	2,500	-
Born Learning Trial	18,642	12,658
Diaper Bank	97,653	85,303
Total	<u>\$ 165,847</u>	<u>\$ 137,144</u>

NOTE 8 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, 2018 and 2017, the Organization made contributions of \$76,435 and \$77,303, respectively, to the plan.

UNITED WAY FOX CITIES, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018 AND 2017

NOTE 8 RETIREMENT PLAN (CONTINUED)

The Organization has an eligible deferred compensation plan under Section 457(b) of the IRC. The Organization's President/CEO was granted eligibility to participate in the plan. During the years ended March 31, 2018 and 2017, the Organization's contributions to the plan were \$12,919 and \$12,307, respectively. At March 31, 2018 and 2017, other assets and other liabilities in the amount of \$192,889 and \$168,123, respectively, related to the deferred compensation plan were included on the statements of financial position.

NOTE 9 LEASES

The Organization has several noncancelable operating leases for office equipment. Rental expenses for those leases were \$9,977 and \$7,941 for the years ended March 31, 2018 and 2017, respectively.

Future minimum lease payments under operating leases that have initial terms in excess of one year as of March 31, 2018 are:

<u>Year Ending March 31,</u>	<u>Amount</u>
2019	\$ 8,534
2020	8,060
2021	6,638
2022	5,278
2023	3,374
Total	<u>\$ 31,884</u>

NOTE 10 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, 2018 and 2017 are as follows:

Functional Overhead Expenses (Excluding In-Kind Expenses)

	<u>2018</u>	<u>2017</u>
Management and General:		
Office Operations	\$ 498,748	\$ 495,821
Marketing	186,690	182,599
Fundraising:		
Campaign	<u>587,029</u>	<u>552,147</u>
Total Functional Overhead Expenses (Excluding In-Kind Expenses)	<u>\$ 1,272,467</u>	<u>\$ 1,230,567</u>
Total Revenue* (Including Designations/ Excluding In-Kind Donations)	<u>\$ 9,760,987</u>	<u>\$ 9,411,357</u>
Overhead Rate	13.0%	13.1%

* Includes \$37,854 and \$119,203 of endowment campaign revenue for the years ended March 31, 2018 and 2017, respectively.

UNITED WAY FOX CITIES, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018 AND 2017

NOTE 11 PLEDGE TO COMPLY WITH UNITED WAY WORLDWIDE 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 Worldwide Cost Reduction Requirements for Membership Standard M.

NOTE 12 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:

	2018 Fair Value Measurements Using			
	Level 1	Level 2	Level 3	Total
Assets:				
Beneficial Interest	\$ -	\$ -	\$ 7,495,135	\$ 7,495,135
Other Assets - Mutual Funds	192,889	-	-	192,889
Total Assets at Fair Value	<u>\$ 192,889</u>	<u>\$ -</u>	<u>\$ 7,495,135</u>	<u>\$ 7,688,024</u>
Liability:				
Other Liabilities	<u>\$ 192,889</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 192,889</u>
	2017 Fair Value Measurements Using			
	Level 1	Level 2	Level 3	Total
Assets:				
Beneficial Interest	\$ -	\$ -	\$ 6,837,025	\$ 6,837,025
Other Assets - Mutual Funds	168,123	-	-	168,123
Total Assets at Fair Value	<u>\$ 168,123</u>	<u>\$ -</u>	<u>\$ 6,837,025</u>	<u>\$ 7,005,148</u>
Liability:				
Other Liabilities	<u>\$ 168,123</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 168,123</u>

**UNITED WAY FOX CITIES, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018 AND 2017**

NOTE 12 FAIR VALUE MEASUREMENTS (CONTINUED)

There have been no changes in the methodologies used at March 31, 2018. Following is a description of the valuation methodologies used for assets measured at fair value:

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.

Mutual Funds – Fair values for the mutual funds are determined by reference to quoted market prices of the underlying mutual funds.

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, 2018 and 2017:

	2018	2017
Beneficial Interest in Assets at Community Foundation		
Balance - Beginning of Year	\$ 6,837,025	\$ 4,971,061
Contributions Invested	238,902	1,451,498
Return on Investment in Beneficial Interest	419,208	414,466
Balance - End of Year	\$ 7,495,135	\$ 6,837,025

NOTE 13 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, 2018 AND 2017**

NOTE 13 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, 2018 and 2017:

	2018				Total
	Program	Office Operation	Marketing	Campaign	
Diapers	\$ 110,802	\$ -	\$ -	\$ -	\$ 110,802
Rent	22,200	-	-	-	22,200
Other	200	6,024	4,176	21,823	32,223
Total	<u>\$ 133,202</u>	<u>\$ 6,024</u>	<u>\$ 4,176</u>	<u>\$ 21,823</u>	<u>\$ 165,225</u>

	2017				Total
	Program	Office Operation	Marketing	Campaign	
Diapers	\$ 386,777	\$ -	\$ -	\$ -	\$ 386,777
Vehicles	-	-	-	45,868	45,868
Rent	21,003	-	-	-	21,003
Other	11,074	6,335	7,873	31,431	56,713
Total	<u>\$ 418,854</u>	<u>\$ 6,335</u>	<u>\$ 7,873</u>	<u>\$ 77,299</u>	<u>\$ 510,361</u>

UNITED WAY FOX CITIES, INC.
SCHEDULES OF PARTNER PROGRAM EXPENSES
YEARS ENDED MARCH 31, 2018 AND 2017

	2018	2017
Advocap	\$ 49,264	\$ 47,829
AIDS Resource Center of Wisconsin	63,665	63,665
American Red Cross in Northeast Wisconsin Chapter	105,782	102,701
Best Friends of Neenah-Menasha	147,319	143,029
Big Brothers/Big Sisters of the Fox Valley Region	159,512	154,866
Boys' and Girls' Brigade Association	30,900	30,000
Boys and Girls Club of the Fox Valley	313,410	304,282
CAP Services, Inc.	100,173	97,255
Catalpa Health	89,116	86,520
Catholic Charities of the Diocese of Green Bay	94,575	113,449
Covey/Cerebral Palsy Mideast WI	30,978	30,978
Child Care Resource and Referral, Inc.	71,256	69,181
Christine Ann Domestic Abuse Services	101,713	98,750
Community Family Resource Center	28,644	27,810
Family Services of Northeast Wisconsin	347,889	337,756
Financial Information and Service Center	191,846	191,846
Fox Valley Literacy Coalition	110,519	107,300
Fox Valley Warming Shelter	20,600	20,000
Friendship Place	112,583	109,304
Girl Scouts of the Northwestern Great Lakes	135,782	131,827
Harbor House Domestic Abuse Program	159,650	155,000
Hmong-American Partnership	-	103,300
Homeless Connections	177,675	172,500
Housing Partnership of the Fox Cities	62,315	60,500
Legal Action of Wisconsin	75,000	75,000
Lutheran Social Services	327,268	269,191
National Alliance on Mental Illness (NAMI) Fox Valley	122,570	119,000
Neenah-Menasha Dental Clinic	47,550	46,165
Neenah-Menasha Dial-A-Ride	8,755	8,500
Nonprofit Affordable Housing Based Rental Services (NAHBRS)	16,356	15,880
Partnership Community Health Center	146,775	142,500
Project Bridges Day Care and Preschool	136,733	132,750
Reach Counseling Services	169,565	164,625
Samaritan Counseling Center	50,000	-
Sexual Assault Crisis Center of the Fox Cities	137,634	133,625
SOAR Fox Cities	271,605	263,694
Valley Packaging Industries	295,801	238,641
Villa Hope	22,660	22,000
YMCA of the Fox Cities	599,519	582,057
Youth-Go	205,485	199,500
Subtotal	5,338,442	5,172,776
Less: Expenses Funded through Designations	(378,736)	(428,823)
Net Partner Agency Program Expenses	\$ 4,959,706	\$ 4,743,953