

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

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEARS ENDED MARCH 31, 2019 AND 2018

**UNITED WAY FOX CITIES, INC.
TABLE OF CONTENTS
YEARS ENDED MARCH 31, 2019 AND 2018**

INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
STATEMENTS OF FINANCIAL POSITION	3
STATEMENTS OF ACTIVITIES	4
STATEMENTS OF FUNCTIONAL EXPENSES	6
STATEMENTS OF CASH FLOWS	8
NOTES TO FINANCIAL STATEMENTS	9
SUPPLEMENTARY INFORMATION	
SCHEDULES OF 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, 2019 and 2018, 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.

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, 2019 and 2018, 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 and the schedules of proceeds and expenditures of state awards are presented for purposes of additional analysis and are 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
June 27, 2019

UNITED WAY FOX CITIES, INC.
STATEMENTS OF FINANCIAL POSITION
MARCH 31, 2019 AND 2018

	2019	2018
ASSETS		
Cash and Cash Equivalents	\$ 1,222,529	\$ 1,079,601
Promises Receivable, Net of Allowance	3,872,475	4,290,786
Other Receivables	263,956	277,477
Diaper Inventory	217,260	220,831
Prepaid Expenses	21,826	21,875
Property and Equipment, Net	1,021,370	1,044,249
Beneficial Interest in Assets at Community Foundation	7,626,175	7,495,135
Other Assets	231,847	220,823
Total Assets	\$ 14,477,438	\$ 14,650,777
LIABILITIES AND NET ASSETS		
LIABILITIES		
Community Investments Payable	\$ 4,168,556	\$ 4,005,224
Community Investment Fund Grants Payable	45,552	59,449
Payable to Other Communities/Agencies	160,008	275,576
Accounts Payable	347,503	322,546
Grants Payable	240,107	339,189
Accrued Expenses	185,136	175,711
Other Liabilities	203,075	192,889
Total Liabilities	5,349,937	5,370,584
NET ASSETS		
Without Donor Restrictions:		
Board Designated	6,948,953	7,106,867
Undesignated	225,732	186,846
Net Investment in Property and Equipment	1,021,370	1,044,249
Total Net Assets Without Donor Restrictions	8,196,055	8,337,962
With Donor Restrictions:		
Endowment Program Expenses	172,381	177,686
Subsequent Year Campaign	39,274	52,453
Subsequent Year Programs	162,564	165,847
Endowments Subject to Spending Policy and Appropriation	557,227	546,245
Total Net Assets With Donor Restrictions	931,446	942,231
Total Net Assets	9,127,501	9,280,193
Total Liabilities and Net Assets	\$ 14,477,438	\$ 14,650,777

See accompanying Notes to Financial Statements.

UNITED WAY FOX CITIES, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED MARCH 31, 2019 AND 2018

	2019	2018
NET ASSETS WITHOUT DONOR RESTRICTIONS		
Revenue:		
Contributions:		
Gross Current Campaign Results	\$ 8,639,075	\$ 8,980,607
Gross Past Campaign Results	79,645	99,850
Less:		
Donor Designations to United Way Partner Agencies	(371,924)	(378,736)
Donor Designations to Other Communities/Agencies	(243,381)	(340,329)
Provision for Uncollectible Promises	(292,064)	(291,778)
Net Campaign Revenue	7,811,351	8,069,614
Designations from Other United Ways	48,960	72,330
In-Kind Contributions	240,335	165,225
Service Fees	38,746	45,024
Investment Income	870	848
Miscellaneous	183,161	56,793
Net Assets Released from Restrictions:		
Restrictions Satisfied by Payments	383,379	218,503
Total Revenue	8,706,802	8,628,337
Expenses:		
Program Services:		
Community Impact Programs:		
Developing Children and Youth	1,633,880	1,566,788
Strengthening Families	1,144,712	1,045,618
Promoting Health, Healing, and Crisis Intervention	1,799,767	1,747,174
Providing Basic Needs and Self Sufficiency	1,010,750	978,862
Less: Expenses Funded Through Designations	(371,924)	(378,736)
Net Partner Agency Program Expenses	5,217,185	4,959,706
Community Investment Fund Grants	867,589	1,278,915
Community Services Provided by United Way:		
Community Development	542,568	491,268
2-1-1 Program	213,873	232,310
Workforce Engagement	58,221	16,824
Youth Board	33,880	36,210
Weight of the Fox Valley	179,342	149,361
FEMA	2,001	2,309
LIFE Study	27,829	24,824
Diaper Bank Project	179,744	175,352
AmeriCorps	123,929	40,470
HWPP - Healthy Kids Meal	25,132	4,901
Total Program Services	7,471,293	7,412,450
Management and General:		
Office Operations	528,275	504,771
Marketing	196,141	190,864
Total Management and General	724,416	695,635
Fundraising - Campaign	779,022	608,854
Total Expenses	8,974,731	8,716,939
Total Revenue in Excess of Expenses	(267,929)	(88,602)

See accompanying Notes to Financial Statements.

UNITED WAY FOX CITIES, INC.
STATEMENTS OF ACTIVITIES (CONTINUED)
YEARS ENDED MARCH 31, 2019 AND 2018

	2019	2018
NET ASSETS WITHOUT DONOR RESTRICTIONS (CONTINUED)		
Other Changes in Net Assets:		
Change in Beneficial Interest in Assets at Community Foundation	\$ 126,022	\$ 346,296
Change in Net Assets Without Donor Restrictions	(141,907)	257,694
Net Assets Without Donor Restrictions - Beginning of Year	8,337,962	8,080,268
Net Assets Without Donor Restrictions - End of Year	8,196,055	8,337,962
NET ASSETS WITH DONOR RESTRICTIONS		
Revenue:		
Subsequent Year Campaign Results	39,274	52,453
Contributions	328,642	192,944
Endowment Campaign Contributions	10,982	37,854
Total Revenue	378,898	283,251
Net Assets Released from Restriction	(383,379)	(218,503)
Total Revenue, Net of Assets Released from Restriction	(4,481)	64,748
Other Changes in Net Assets:		
Change in Beneficial Interest In Assets at Community Foundation	(6,304)	72,912
Change in Net Assets With Donor Restrictions	(10,785)	137,660
Net Assets With Donor Restrictions - Beginning of Year	942,231	804,571
Net Assets With Donor Restrictions - End of Year	931,446	942,231
TOTAL NET ASSETS		
Change in Net Assets	(152,692)	395,354
Net Assets - Beginning of Year	9,280,193	8,884,839
Net Assets - End of Year	\$ 9,127,501	\$ 9,280,193

See accompanying Notes to Financial Statements.

UNITED WAY FOX CITIES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED MARCH 31, 2019

	Program Services	Management and General		Fundraising	Total
		Office Operations	Marketing/ Communications	Resource Development	
Community Investments	\$ 6,456,698	\$ -	\$ -	\$ -	\$ 6,456,698
Less: Donor Designations	(371,924)	-	-	-	(371,924)
Subtotal	6,084,774	-	-	-	6,084,774
Salaries	562,910	306,356	103,497	335,730	1,308,493
Payroll Taxes	43,941	22,114	7,903	23,560	97,518
Health Insurance	39,108	18,565	9,714	38,799	106,186
Retirement	38,414	25,621	9,523	19,866	93,424
Other Benefits	15,194	16,937	4,158	14,697	50,986
Total Salaries and Related Expenses	699,567	389,593	134,795	432,652	1,656,607
Occupancy	36,934	6,900	2,947	8,509	55,290
Supplies	25,635	5,928	257	1,543	33,363
Diapers	157,544	-	-	-	157,544
Events	17,553	200	6,702	40,345	64,800
Travel and Meals	13,829	3,855	373	12,775	30,832
Telephone	10,644	3,149	1,533	3,543	18,869
Postage	691	1,769	601	8,701	11,762
Equipment Repair and Maintenance	19,405	17,783	3,762	19,707	60,657
Licensing	4,040	-	-	691	4,731
Training, Development, and Conferences	6,679	6,002	182	3,110	15,973
Professional Services	230,531	34,136	16,904	1,877	283,448
Dues and Subscriptions	4,303	1,023	50	1,124	6,500
Affiliation Dues - UWWI and UWW	51,081	22,688	10,210	29,462	113,441
Insurance	2,681	16,490	536	1,547	21,254
Miscellaneous	4,027	4,770	31	12,554	21,382
Depreciation	24,906	11,069	4,981	14,391	55,347
Outside Printing	1,672	1,776	9,368	28,397	41,213
Promotion	3,943	-	1,042	10	4,995
Communication	1,006	1,144	1,867	48,638	52,655
Uncollected Promises	-	-	-	109,446	109,446
Nonprofit Development	69,848	-	-	-	69,848
Donor Designations to Other Communities/ Agencies	243,381	-	-	-	243,381
Provision for Uncollectible Promises	292,064	-	-	-	292,064
Total Expenses by Function	8,006,738	528,275	196,141	779,022	9,510,176
Less: Expenses Included with Revenues on the Statements of Activities:					
Donor Designations to Other Communities/Agencies	(243,381)	-	-	-	(243,381)
Provision for Uncollectible Promises	(292,064)	-	-	-	(292,064)
Total Expenses Included in the Expenses Section on the Consolidated Statements of Activities	\$ 7,471,293	\$ 528,275	\$ 196,141	\$ 779,022	\$ 8,974,731

See accompanying Notes to Financial Statements.

UNITED WAY FOX CITIES, INC.
STATEMENT 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
Donor Designations to Other Communities/ Agencies	340,329	-	-	-	340,329
Provision for Uncollectible Promises	291,778	-	-	-	291,778
Total Expenses by Function	8,044,557	504,771	190,864	608,854	9,349,046
Less: Expenses Included with Revenues on the Statements of Activities:					
Donor Designations to Other Communities/Agencies	(340,329)	-	-	-	(340,329)
Provision for Uncollectible Promises	(291,778)	-	-	-	(291,778)
Total Expenses Included in the Expenses Section on the Consolidated Statements of Activities	\$ 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 CASH FLOWS
YEARS ENDED MARCH 31, 2019 AND 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (152,692)	\$ 395,354
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Other Assets Awarded to Donors	-	22,732
In-Kind Contributions of Diaper Inventory	(153,973)	(110,802)
Diaper Inventory Distributed to Community Members	157,544	153,152
Depreciation	55,347	66,470
Loss on Disposal of Property and Equipment	89	403
Change in Allowance for Uncollectible Promises	75,571	(26,687)
Change in Beneficial Interest in Assets at Community Foundation	(119,718)	(419,208)
Long-Term Contributions for Endowment	(10,982)	(37,854)
Changes in Operating Assets and Liabilities:		
Promises Receivable	342,740	(346,833)
Other Receivables	13,521	3,703
Prepaid Expenses	49	437
Other Assets	(11,024)	(25,580)
Community Investments Payable	163,332	156,688
Community Investment Fund Grants Payable	(13,897)	(5,934)
Payable to Other Communities/Agencies	(115,568)	113,958
Accounts Payable	24,957	76,615
Grants Payable	(99,082)	109,694
Accrued Expenses	9,425	51,037
Other Liabilities	10,186	24,766
Net Cash Provided by Operating Activities	175,825	202,111
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Property and Equipment	(32,557)	(36,396)
Purchases of Beneficial Interest in Assets at Community Foundation	(11,322)	(238,902)
Net Cash Used by Investing Activities	(43,879)	(275,298)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Long-Term Contributions for Endowment	10,982	37,854
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	142,928	(35,333)
Cash and Cash Equivalents - Beginning of Year	1,079,601	1,114,934
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 1,222,529	\$ 1,079,601

See accompanying Notes to Financial Statements.

**UNITED WAY FOX CITIES, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2019 AND 2018**

NOTE 1 PRINCIPAL ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Organization

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, 2019 AND 2018

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

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

Net Assets Without Donor Restrictions

Net assets available for use in general operation and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions

Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Promises Receivable and Revenue Recognition

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

All donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement 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.

UNITED WAY FOX CITIES, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2019 AND 2018

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

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.

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, 2019.

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*. The Organization adopted this standard on April 1, 2018. Accordingly, the required presentation and disclosure changes have been retrospectively applied to the prior period presented as if the policy had been used in that year.

In June 2018, the FASB issued ASU 2018-08 to clarify and improve the scope and the accounting guidance for contributions received and contributions made. The guidance is required to be applied by the Organization for the year ending March 31, 2020. The Organization is currently evaluating the impact this guidance will have on its financial statements.

Subsequent Events

The Organization has evaluated subsequent events through June 27, 2019, the date the financial statements were available to be issued.

UNITED WAY FOX CITIES, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2019 AND 2018

NOTE 2 LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following at March 31:

	2019	2018
Cash and Cash Equivalents	\$ 1,222,529	\$ 1,079,601
Promises Receivable	3,872,475	4,290,786
Other Receivables	263,956	277,477
Beneficial Interest in Assets at Community Foundation	7,626,175	7,495,135
Subtotal	12,985,135	13,142,999
Less: Payable to Other Communities/Agencies	(160,008)	(275,576)
Less: Board-Designated Net Assets	(6,948,953)	(7,106,867)
Less: Donor Restricted Net Assets	(931,446)	(942,231)
Total Financial Assets Available for General Expenditure	\$ 4,944,728	\$ 4,818,325

The beneficial interest in assets at the Community Foundation consists of both donor-restricted and board-designated funds. Income from donor-restricted funds is restricted for specific purposes, with the exception of amounts available for general use. Donor-restricted funds are not available for general expenditure. Although we do not intend to spend principal from the board-designated funds, these amounts could be made available if necessary.

NOTE 3 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 and their employees representing 35% of its contribution revenue and 35% of its ending promises to give balance for the year ended March 31, 2019.

The Organization had contributions from two major donors and their employees representing 39% of its contribution revenue and 36% of its ending promises to give balance for the year ended March 31, 2018.

UNITED WAY FOX CITIES, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2019 AND 2018

NOTE 3 SIGNIFICANT CONCENTRATIONS (CONTINUED)

Credit Risk Arising from Cash Deposits in Excess of Insured Limits

The Organization maintains its bank accounts 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, 2019 and 2018, balances in excess of FDIC coverage approximated \$1,054,000 and \$850,000, 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 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>2019</u>	<u>2018</u>
Annual Campaign:		
2019 Campaign	\$ 76	\$ -
2018 Campaign	4,130,367	93
2017 Campaign	403,887	4,590,362
2016 Campaign	-	286,615
Subtotal	<u>4,534,330</u>	<u>4,877,070</u>
Less: Provision for Uncollectible Amounts	661,855	586,284
Net Campaign Promises Receivable	<u>\$ 3,872,475</u>	<u>\$ 4,290,786</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 at March 31:

	<u>2019</u>	<u>2018</u>
Land	\$ 15,000	\$ 15,000
Buildings and Improvements	1,256,306	1,256,306
Office Furnishings and Equipment	413,524	397,098
Subtotal	<u>1,684,830</u>	<u>1,668,404</u>
Less: Accumulated Depreciation	663,460	624,155
Total	<u>\$ 1,021,370</u>	<u>\$ 1,044,249</u>

**UNITED WAY FOX CITIES, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2019 AND 2018**

NOTE 6 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>	2019	2018
<u>Operating Funds</u>		
This fund was set up at CFFVR by the Organization's board of directors using a prior donation without donor restrictions 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 board designated net assets.	\$ 3,535,981	\$ 3,469,144
<u>Reserve Investment Funds</u>		
This fund was set up at CFFVR by the Organization's board of directors using a prior donation without donor restrictions 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 board designated net assets.	3,136,977	3,076,563
<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 net assets with donor restrictions.	660,855	654,841

**UNITED WAY FOX CITIES, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2019 AND 2018**

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

<u>Description (Continued)</u>	<u>2019</u>	<u>2018</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 donation without donor restrictions 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 board designated net assets. Beginning in 2009, endowment campaign contributions may be restricted by donors for this fund. These amounts are presented in the financial statements as net assets with donor restrictions.		
	\$ 154,915	\$ 156,141
<u>Impact Area Endowment Funds</u>		
These funds were set up at CFFVR by the Organization's board of directors using a prior donation without donor restrictions and designating the net income to be used to provide funding for identified impact areas. These funds are presented in the financial statements as board designated net assets. Beginning in 2010, endowment campaign contributions may be restricted by donors. These amounts are presented in the financial statements as net assets with donor restrictions.		
	<u>137,447</u>	<u>138,446</u>
Total Beneficial Interest in Assets at Community Foundation	<u>\$ 7,626,175</u>	<u>\$ 7,495,135</u>

UNITED WAY FOX CITIES, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2019 AND 2018

NOTE 7 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>2019</u>	<u>2018</u>
Reserve	\$ 3,185,765	\$ 3,003,765
Managed Impact Solutions (MIS)	1,040,000	1,040,000
Capital Replacement	246,139	246,139
Diaper Bank	297,260	300,831
LIFE Study	68,168	68,168
PATH	655,333	759,100
Community Early Learning Center/Early Learning Coalition	-	37,500
Weight of the Fox Valley	109,350	177,199
Early Learning Fund (with CFFVR)	125,000	125,000
The Connector	193,328	243,328
Strategic Investments / Goals	800,000	875,000
Endowments:		
Legacy of Caring	113,799	114,106
Impact Area	58,685	60,157
Administrative	56,126	56,574
Total	<u>\$ 6,948,953</u>	<u>\$ 7,106,867</u>

NOTE 8 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes at March 31:

	<u>2019</u>	<u>2018</u>
Subject to Expenditure for Specified Purpose:		
Endowment Program Expenses	\$ 172,381	\$ 177,686
Subsequent Year Programs:		
Early Childhood Initiative	15,000	15,000
Leading Indicators for Excellence (LIFE) in Motion	10,229	10,229
Emerging Leaders	28,922	21,257
Youth Worker Coalition	566	566
Health Advocacy	3,521	2,500
Born Learning Trial	6,673	18,642
Diaper Bank	97,653	97,653
Total	<u>334,945</u>	<u>343,533</u>
Subject to the Passage of Time:		
Subsequent Year Campaign	39,274	52,453
Endowments Subject to Spending Policy and Appropriation - Investment in Perpetuity	<u>557,227</u>	<u>546,245</u>
Total Net Assets with Donor Restrictions	<u>\$ 931,446</u>	<u>\$ 942,231</u>

**UNITED WAY FOX CITIES, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2019 AND 2018**

NOTE 8 NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or occurrence of the passage of time or other events specified by the donors as follows for the years ended March 31:

	<u>2019</u>	<u>2018</u>
Expiration of Time Restrictions	\$ 52,453	\$ 54,262
Satisfaction of Purpose Restrictions:		
Special Events	34,596	39,653
AmeriCorps	130,684	31,299
2-1-1	24,045	-
Endowment Program Expenses	10,347	10,767
Weight of the Fox Valley	53,512	60,594
Leading Indicators for Excellence (LIFE) in Motion	-	7,016
Emerging Leaders	21,597	8,884
Health Advocacy	1,479	-
Born Learning Trial	2,971	5,985
Other	<u>51,695</u>	<u>43</u>
Total Net Assets Released from Donor Restrictions	<u>\$ 383,379</u>	<u>\$ 218,503</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, 2019 and 2018, the Organization made contributions of \$80,000 and \$76,435, respectively, to the plan.

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, 2019 and 2018, the Organization's contributions to the plan were \$13,424 and \$12,919, respectively. At March 31, 2019 and 2018, other assets and other liabilities in the amount of \$203,075 and \$192,889, respectively, related to the deferred compensation plan were included on the statements of financial position.

UNITED WAY FOX CITIES, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2019 AND 2018

NOTE 10 LEASES

The Organization has several noncancelable operating leases for office equipment. Rental expenses for those leases were \$8,534 and \$9,977 for the years ended March 31, 2019 and 2018, respectively.

Future minimum lease payments under operating leases that have initial terms in excess of one year as of March 31, 2019 are:

<u>Year Ending March 31,</u>	<u>Amount</u>
2020	\$ 8,060
2021	6,638
2022	5,278
2023	3,374
Total	<u>\$ 23,350</u>

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, 2019 and 2018 are as follows:

Functional Overhead Expenses (Excluding In-Kind Expenses)

	<u>2019</u>	<u>2018</u>
Management and General:		
Office Operations	\$ 522,123	\$ 498,748
Marketing	192,840	186,690
Fundraising:		
Campaign	748,669	587,029
Total Functional Overhead Expenses (Excluding In-Kind Expenses)	<u>\$ 1,463,632</u>	<u>\$ 1,272,467</u>
Total Revenue* (Including Designations/ Excluding In-Kind Donations)	<u>\$ 9,368,079</u>	<u>\$ 9,760,987</u>
Overhead Rate - Including Uncollected Promises	15.6%	13.0%
Overhead Rate - Excluding Uncollected Promises	14.4%	13.0%

* Includes \$10,982 and \$37,854 of endowment campaign revenue for the years ended March 31, 2019 and 2018, respectively.

The 2.6% increase in the Organization's overhead rate during the year ended March 31, 2019 was caused in part by uncollected promises of \$109,446 that resulted from the bankruptcy of one corporate donor and significant staffing changes at another major corporate donor. Presented above shows the Overhead Rate including and excluding these additional uncollected promises.

UNITED WAY FOX CITIES, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2019 AND 2018

NOTE 12 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 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 Organization's financial assets and liabilities that are measured at fair value on a recurring basis at March 31:

	2019 Fair Value Measurements Using			
	Level 1	Level 2	Level 3	Total
Assets:				
Beneficial Interest	\$ -	\$ -	\$ 7,626,175	\$ 7,626,175
Other Assets - Mutual Funds	203,075	-	-	203,075
Total Assets at Fair Value	<u>\$ 203,075</u>	<u>\$ -</u>	<u>\$ 7,626,175</u>	<u>\$ 7,829,250</u>
Liability:				
Other Liabilities	<u>\$ 203,075</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 203,075</u>
	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>

**UNITED WAY FOX CITIES, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2019 AND 2018**

NOTE 13 FAIR VALUE MEASUREMENTS (CONTINUED)

There have been no changes in the methodologies used at March 31, 2019. 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, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Beneficial Interest in Assets at Community Foundation		
Balance - Beginning of Year	\$ 7,495,135	\$ 6,837,025
Contributions Invested	11,322	238,902
Return on Investment in Beneficial Interest	<u>119,718</u>	<u>419,208</u>
Balance - End of Year	<u>\$ 7,626,175</u>	<u>\$ 7,495,135</u>

NOTE 14 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, 2019 AND 2018

NOTE 14 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, 2019 and 2018:

		2019				
		Office				
	Program	Operation	Marketing	Campaign	Total	
Diapers	\$ 153,973	\$ -	\$ -	\$ -	\$ 153,973	
Rent	22,200	-	-	-	22,200	
Books	21,774	-	-	-	21,774	
Other	2,580	6,151	3,300	30,357	42,388	
Total	\$ 200,527	\$ 6,151	\$ 3,300	\$ 30,357	\$ 240,335	
		2018				
		Office				
	Program	Operation	Marketing	Campaign	Total	
Diapers	\$ 110,802	\$ -	\$ -	\$ -	\$ 110,802	
Rent	22,200	-	-	-	22,200	
Other	200	6,024	4,176	21,823	32,223	
Total	\$ 133,202	\$ 6,024	\$ 4,176	\$ 21,823	\$ 165,225	

UNITED WAY FOX CITIES, INC.
SCHEDULES OF PROCEEDS AND EXPENDITURES OF STATE AWARDS
YEARS ENDED MARCH 31, 2019 AND 2018

	2019	2018
Advocap	\$ 50,471	\$ 49,264
AIDS Resource Center of Wisconsin	63,665	63,665
American Red Cross in Northeast Wisconsin Chapter	104,826	105,782
Appleton Public Library	15,000	-
Best Friends of Neenah-Menasha	154,685	147,319
Big Brothers/Big Sisters of the Fox Valley Region	168,365	159,512
Boys' and Girls' Brigade Association	31,518	30,900
Boys and Girls Club of the Fox Valley	325,001	313,410
CAP Services, Inc.	103,178	100,173
Catalpa Health	91,789	89,116
Catholic Charities of the Diocese of Green Bay	96,939	94,575
Covey/Cerebral Palsy Mideast WI	40,000	30,978
Child Care Resource and Referral, Inc.	76,256	71,256
Christine Ann Domestic Abuse Services	104,764	101,713
Community Family Resource Center	29,503	28,644
Family Services of Northeast Wisconsin	459,805	347,889
Financial Information and Service Center	193,390	191,846
Fox Valley Literacy Coalition	110,500	110,519
Fox Valley Memory Project	85,227	-
Fox Valley Warming Shelter	-	20,600
Friendship Place	114,835	112,583
Girl Scouts of the Northwestern Great Lakes	135,782	135,782
Harbor House Domestic Abuse Program	175,500	159,650
Homeless Connections	-	177,675
Housing Partnership of the Fox Cities	-	62,315
Legal Action of Wisconsin	75,000	75,000
Lutheran Social Services	142,327	327,268
National Alliance on Mental Illness (NAMI) Fox Valley	122,570	122,570
Neenah-Menasha Dental Clinic	48,975	47,550
Neenah-Menasha Dial-A-Ride	8,500	8,755
Nonprofit Affordable Housing Based Rental Services (NAHBRS)	17,992	16,356
Partnership Community Health Center	146,775	146,775
Pillars	277,449	-
Project Bridges Day Care and Preschool	144,480	136,733
Reach Counseling Services	198,385	169,565
Samaritan Counseling Center	57,500	50,000
Sexual Assault Crisis Center of the Fox Cities	122,241	137,634
SOAR Fox Cities	279,753	271,605
Valley Packaging Industries	374,987	295,801
Villa Hope	19,000	22,660
YMCA of the Fox Cities	614,276	599,519
Youth-Go	207,900	205,485
Subtotal	5,589,109	5,338,442
Less: Expenses Funded through Designations	(371,924)	(378,736)
Net Partner Agency Program Expenses	\$ 5,217,185	\$ 4,959,706