

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

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEARS ENDED MARCH 31, 2020 AND 2019**



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**UNITED WAY FOX CITIES, INC.  
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## INDEPENDENT AUDITORS' REPORT

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of United Way Fox Cities, Inc. (a nonprofit organization), which comprise the statements of financial position as of March 31, 2020 and 2019, 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, 2020 and 2019, 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  
September 22, 2020

**UNITED WAY FOX CITIES, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**MARCH 31, 2020 AND 2019**

	2020	2019
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 1,491,046	\$ 1,222,529
Promises Receivable, Net of Allowance	3,823,675	3,872,475
Other Receivables	330,807	263,956
Diaper Inventory	411,848	217,260
Prepaid Expenses	23,559	21,826
Property and Equipment, Net	1,038,166	1,021,370
Beneficial Interest in Assets at Community Foundation	6,577,703	7,626,175
Other Assets	220,400	231,847
	\$ 13,917,204	\$ 14,477,438
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Community Investments Payable	\$ 4,290,190	\$ 4,168,556
Community Investment Fund Grants Payable	72,994	45,552
Payable to Other Communities/Agencies	146,441	160,008
Accounts Payable	344,406	347,503
Grants Payable	169,850	240,107
Accrued Expenses	176,819	185,136
Other Liabilities	190,765	203,075
Total Liabilities	5,391,465	5,349,937
<b>NET ASSETS</b>		
Without Donor Restrictions:		
Board Designated	6,446,859	6,948,953
Undesignated	52,249	225,732
Net Investment in Property and Equipment	1,038,166	1,021,370
Total Net Assets Without Donor Restrictions	7,537,274	8,196,055
With Donor Restrictions:		
Endowment Program Expenses	101,847	172,381
Subsequent Year Campaign	45,154	39,274
Subsequent Year Programs	254,237	162,564
Endowments Subject to Spending Policy and Appropriation	587,227	557,227
Total Net Assets With Donor Restrictions	988,465	931,446
Total Net Assets	8,525,739	9,127,501
Total Liabilities and Net Assets	\$ 13,917,204	\$ 14,477,438

See accompanying Notes to Financial Statements.

**UNITED WAY FOX CITIES, INC.**  
**STATEMENTS OF ACTIVITIES**  
**YEARS ENDED MARCH 31, 2020 AND 2019**

	2020	2019
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS</b>		
<b>Revenue:</b>		
Contributions:		
Gross Current Campaign Results	\$ 8,950,144	\$ 8,639,075
Gross Past Campaign Results	111,713	79,645
Less:		
Donor Designations to United Way Partner Agencies	(345,004)	(371,924)
Donor Designations to Other Communities/Agencies	(206,009)	(243,381)
Provision for Uncollectible Promises	(792,174)	(292,064)
Net Campaign Revenue	7,718,670	7,811,351
Designations from Other United Ways	43,076	48,960
In-Kind Contributions	431,858	240,335
Service Fees	38,763	38,746
Investment Income	896	870
Miscellaneous	19,968	183,161
Net Assets Released from Restrictions:		
Restrictions Satisfied by Payments	540,111	383,379
Total Revenue	8,793,342	8,706,802
<b>Expenses:</b>		
Program Services:		
Community Impact Programs:		
Developing Children and Youth	1,698,847	1,633,880
Strengthening Families	1,166,223	1,144,712
Promoting Health, Healing, and Crisis Intervention	1,843,437	1,799,767
Providing Basic Needs and Self Sufficiency	1,043,595	1,010,750
Less: Expenses Funded Through Designations	(345,004)	(371,924)
Net Partner Agency Program Expenses	5,407,098	5,217,185
Community Investment Fund Grants	912,353	867,589
Community Services Provided by United Way:		
Community Development	529,289	542,568
2-1-1 Program	229,794	213,873
United Way WORKS	10,523	-
Volunteer Engagement	73,647	-
Workforce Engagement	55,963	58,221
Youth Board	33,652	33,880
Be Well Fox Valley	177,792	179,342
FEMA	2,566	2,001
LIFE Study	45,740	27,829
Diaper Bank Project	168,094	179,744
AmeriCorps	158,622	123,929
HWPP - Healthy Kids Meal	-	25,132
Total Program Services	7,805,133	7,471,293

See accompanying Notes to Financial Statements.

**UNITED WAY FOX CITIES, INC.**  
**STATEMENTS OF ACTIVITIES (CONTINUED)**  
**YEARS ENDED MARCH 31, 2020 AND 2019**

	2020	2019
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS (CONTINUED)</b>		
Management and General:		
Office Operations	\$ 563,253	\$ 528,275
Marketing	141,239	196,141
Total Management and General	704,492	724,416
Fundraising - Campaign	694,560	779,022
Total Expenses	9,204,185	8,974,731
 Total Revenue in Excess of Expenses	 (410,843)	 (267,929)
 <b>Other Changes in Net Assets:</b>		
Change in Beneficial Interest in Assets at Community Foundation	(247,938)	126,022
Change in Net Assets Without Donor Restrictions	(658,781)	(141,907)
Net Assets Without Donor Restrictions - Beginning of Year	8,196,055	8,337,962
 Net Assets Without Donor Restrictions - End of Year	 7,537,274	 8,196,055
 <b>NET ASSETS WITH DONOR RESTRICTIONS</b>		
<b>Revenue:</b>		
Subsequent Year Campaign Results	45,154	39,274
Contributions	592,510	328,642
Endowment Campaign Contributions	30,000	10,982
Total Revenue	667,664	378,898
Net Assets Released from Restriction	(540,111)	(383,379)
Total Revenue, Net of Assets Released from Restriction	127,553	(4,481)
 <b>Other Changes in Net Assets:</b>		
Change in Beneficial Interest In Assets at Community Foundation	(70,534)	(6,304)
Change in Net Assets With Donor Restrictions	57,019	(10,785)
Net Assets With Donor Restrictions - Beginning of Year	931,446	942,231
 Net Assets With Donor Restrictions - End of Year	 988,465	 931,446
 <b>TOTAL NET ASSETS</b>		
Change in Net Assets	(601,762)	(152,692)
Net Assets - Beginning of Year	9,127,501	9,280,193
 Net Assets - End of Year	 \$ 8,525,739	 \$ 9,127,501

See accompanying Notes to Financial Statements.

**UNITED WAY FOX CITIES, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED MARCH 31, 2020**

	Program Services	Management and General		Fundraising	Total
		Office Operations	Marketing/ Communications	Resource Development	
Community Investments	\$ 6,664,455	\$ -	\$ -	\$ -	\$ 6,664,455
Less: Donor Designations	(345,004)	-	-	-	(345,004)
Subtotal	6,319,451	-	-	-	6,319,451
Salaries	625,979	319,163	79,538	352,207	1,376,887
Payroll Taxes	47,381	23,045	6,020	26,104	102,550
Health Insurance	60,671	11,845	9,923	45,676	128,115
Retirement	40,397	24,892	4,275	24,014	93,578
Other Benefits	12,698	21,092	(13,292)	17,308	37,806
Total Salaries and Related Expenses	787,126	400,037	86,464	465,309	1,738,936
Occupancy	37,040	6,683	2,119	7,289	53,131
Supplies	21,133	7,380	592	2,260	31,365
Diapers	145,894	-	-	-	145,894
Events	16,484	-	(2,349)	48,777	62,912
Travel and Meals	10,540	3,886	929	11,872	27,227
Telephone	18,518	3,184	818	3,212	25,732
Postage	1,935	3,458	-	9,099	14,492
Equipment Repair and Maintenance	21,788	18,731	3,039	19,355	62,913
Licensing	12,115	1,141	-	228	13,484
Training, Development, and Conferences	4,487	1,655	395	5,053	11,590
Professional Services	200,626	42,157	21,234	-	264,017
Dues and Subscriptions	3,813	2,438	-	870	7,121
Affiliation Dues - UWWI and UWW	51,237	21,289	7,911	26,007	106,444
Insurance	2,346	17,459	335	1,149	21,289
Miscellaneous	2,112	18,114	25	10,350	30,601
Depreciation	30,387	12,403	4,341	14,884	62,015
Outside Printing	3,578	1,847	14,924	29,782	50,131
Promotion	13,999	-	462	-	14,461
Communication	26,765	1,391	-	39,064	67,220
Nonprofit Development	73,759	-	-	-	73,759
Donor Designations to Other Communities/Agencies	206,009	-	-	-	206,009
Provision for Uncollectible Promises	792,174	-	-	-	792,174
Total Expenses by Function	8,803,316	563,253	141,239	694,560	10,202,368
Less: Expenses Included with Revenues on the Statements of Activities:					
Donor Designations to Other Communities/Agencies	(206,009)	-	-	-	(206,009)
Provision for Uncollectible Promises	(792,174)	-	-	-	(792,174)
Total Expenses Included in the Expenses Section on the Statements of Activities	\$ 7,805,133	\$ 563,253	\$ 141,239	\$ 694,560	\$ 9,204,185

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 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.**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED MARCH 31, 2020 AND 2019**

	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ (601,762)	\$ (152,692)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
In-Kind Contributions of Diaper Inventory	(340,482)	(153,973)
Diaper Inventory Distributed to Community Members	145,894	157,544
Depreciation	62,015	55,347
Loss on Disposal of Property and Equipment	9,580	89
Change in Allowance for Uncollectible Promises	425,612	75,571
Change in Beneficial Interest in Assets at Community Foundation	318,472	(119,718)
Long-Term Contributions for Endowment	(30,000)	(10,982)
Changes in Operating Assets and Liabilities:		
Promises Receivable	(376,812)	342,740
Other Receivables	(66,851)	13,521
Prepaid Expenses	(1,733)	49
Other Assets	11,447	(11,024)
Community Investments Payable	121,634	163,332
Community Investment Fund Grants Payable	27,442	(13,897)
Payable to Other Communities/Agencies	(13,567)	(115,568)
Accounts Payable	(3,097)	24,957
Grants Payable	(70,257)	(99,082)
Accrued Expenses	(8,317)	9,425
Other Liabilities	(12,310)	10,186
Net Cash Provided (Used) by Operating Activities	(403,092)	175,825
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of Property and Equipment	(88,391)	(32,557)
Net Proceeds from (Purchases of) Beneficial Interest in Assets at Community Foundation	730,000	(11,322)
Net Cash Provided (Used) by Investing Activities	641,609	(43,879)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from Long-Term Contributions for Endowment	30,000	10,982
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	268,517	142,928
Cash and Cash Equivalents - Beginning of Year	1,222,529	1,079,601
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 1,491,046	\$ 1,222,529

See accompanying Notes to Financial Statements.

**UNITED WAY FOX CITIES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2020 AND 2019**

**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, 2020 AND 2019**

**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 restricted revenue when received and released from restrictions 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 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.

**UNITED WAY FOX CITIES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2020 AND 2019**

**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 (IRC). 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, 2020.

**Accounting Standard Update**

In June 2018, the FASB issued ASU 2018-08, *Not-For-Profit Entities (Topic 958): Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*, to clarify and improve the scope and the accounting guidance for contributions received and contributions made.

The Organization's financial statements reflect the full retrospective adoption of ASU 2018-08 beginning in 2019. No cumulative-effect adjustment in net assets was recorded because the adoption of ASU 2018-08 did not significantly impact the Organization's reported historical revenue.

**Subsequent Events**

The Organization has evaluated subsequent events through September 22, 2020, the date the financial statements were available to be issued.

**UNITED WAY FOX CITIES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2020 AND 2019**

**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:

	<u>2020</u>	<u>2019</u>
Cash and Cash Equivalents	\$ 1,491,046	\$ 1,222,529
Promises Receivable	3,823,675	3,872,475
Other Receivables	330,807	263,956
Beneficial Interest in Assets at Community Foundation	<u>6,577,703</u>	<u>7,626,175</u>
Subtotal	12,223,231	12,985,135
Less: Payable to Other Communities/Agencies	(146,441)	(160,008)
Less: Board-Designated Net Assets	(6,446,859)	(6,948,953)
Less: Donor Restricted Net Assets	<u>(988,465)</u>	<u>(931,446)</u>
Total Financial Assets Available for General Expenditure	<u>\$ 4,641,466</u>	<u>\$ 4,944,728</u>

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 expenditures. The principal from the board designated funds could be made available for general expenditures, 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 34% of its contribution revenue and 35% of its ending promises to give balance for the year ended March 31, 2020.

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.

**UNITED WAY FOX CITIES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2020 AND 2019**

**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, 2020 and 2019, balances in excess of FDIC coverage approximated \$1,261,053 and \$1,054,000, 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:

	2020	2019
Annual Campaign:		
2020 Campaign	\$ 40	\$ -
2019 Campaign	4,427,645	76
2018 Campaign	483,457	4,130,367
2017 Campaign	-	403,887
Subtotal	4,911,142	4,534,330
Less: Provision for Uncollectible Amounts	1,087,467	661,855
Net Campaign Promises Receivable	\$ 3,823,675	\$ 3,872,475

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 due to the economic impact of the COVID-19 pandemic.

**NOTE 5 PROPERTY AND EQUIPMENT**

Property and equipment consists of the following at March 31:

	2020	2019
Land	\$ 15,000	\$ 15,000
Buildings and Improvements	1,255,824	1,256,306
Office Furnishings and Equipment	452,122	413,524
Subtotal	1,722,946	1,684,830
Less: Accumulated Depreciation	684,780	663,460
Total	\$ 1,038,166	\$ 1,021,370

**UNITED WAY FOX CITIES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2020 AND 2019**

**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>	2020	2019
<u>Operating Funds</u>		
<p>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.</p>	\$ 2,681,034	\$ 3,535,981
<u>Reserve Investment Funds</u>		
<p>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.</p>	3,017,013	3,136,977
<u>Administrative Endowment Fund</u>		
<p>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.</p>	610,938	660,855



**UNITED WAY FOX CITIES, INC.  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2020 AND 2019**

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

<u>Description (Continued)</u>	<u>2020</u>	<u>2019</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.		
	\$ 142,258	\$ 154,915
<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>126,460</u>	<u>137,447</u>
Total Beneficial Interest in Assets at Community Foundation	<u>\$ 6,577,703</u>	<u>\$ 7,626,175</u>

**UNITED WAY FOX CITIES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2020 AND 2019**

**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>2020</u>	<u>2019</u>
Reserve	\$ 3,017,013	\$ 3,185,765
Managed Impact Solutions (MIS)	1,040,000	1,040,000
Capital Replacement	242,271	246,139
Diaper Bank	491,848	297,260
LIFE Study	62,864	68,168
PATH	517,559	655,333
Be Well Fox Valley	-	109,350
Early Learning Fund (with CFFVR)	68,310	125,000
The Connector	143,328	193,328
Strategic Investments / Goals	650,000	800,000
Endowments:		
Legacy of Caring	109,152	113,799
Impact Area	53,880	58,685
Administrative	50,634	56,126
Total	<u>\$ 6,446,859</u>	<u>\$ 6,948,953</u>

**UNITED WAY FOX CITIES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 8 NET ASSETS WITH DONOR RESTRICTIONS**

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

	<u>2020</u>	<u>2019</u>
Subject to Expenditure for Specified Purpose:		
Endowment Earnings Subject to Spending Policy	\$ 101,847	\$ 172,381
Subsequent Year Programs:		
Early Childhood Initiative	15,000	15,000
Leading Indicators for Excellence (LIFE) in Motion	-	10,229
Emerging Leaders	42,875	28,922
Youth Worker Coalition	566	566
Health Advocacy	1,921	3,521
Alice Project	3,675	-
Born Learning Trial	5,016	6,673
Be Well Fox Valley	53,567	-
Give Help/Get Help Hub	4,491	-
LGBT	10,000	-
WORKS	22,053	-
Diaper Bank	95,073	97,653
Total	<u>356,084</u>	<u>334,945</u>
Subject to the Passage of Time:		
Subsequent Year Campaign	45,154	39,274
Endowments Subject to Spending Policy and Appropriation - Investment in Perpetuity	<u>587,227</u>	<u>557,227</u>
Total Net Assets with Donor Restrictions	<u>\$ 988,465</u>	<u>\$ 931,446</u>

**UNITED WAY FOX CITIES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2020 AND 2019**

**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>2020</u>	<u>2019</u>
Expiration of Time Restrictions	\$ 39,274	\$ 52,453
Satisfaction of Purpose Restrictions:		
Special Events	58,406	34,596
AmeriCorps	53,443	130,684
2-1-1	24,936	24,045
Endowment Program Expenses	7,557	10,347
Leading Indicators for Excellence (LIFE) in Motion	33,530	-
Emerging Leaders	16,958	21,597
Health Advocacy	1,600	1,479
Born Learning Trial	1,657	2,971
Be Well Fox Valley	180,933	53,512
Give Help/Get Help Hub	509	-
WORKS	8,813	-
Diaper Bank	2,579	-
Other	<u>109,916</u>	<u>51,695</u>
Total Net Assets Released from Donor Restrictions	<u>\$ 540,111</u>	<u>\$ 383,379</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, 2020 and 2019, the Organization made contributions of \$79,617 and \$80,000, 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, 2020 and 2019, the Organization's contributions to the plan were \$13,962 and \$13,424, respectively. At March 31, 2020 and 2019, other assets and other liabilities in the amount of \$190,765 and \$203,075, 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, 2020 AND 2019**

**NOTE 10 LEASES**

The Organization has several noncancelable operating leases for office equipment. Rental expenses for those leases were \$8,540 and \$8,534 for the years ended March 31, 2020 and 2019, respectively.

Future minimum lease payments under operating leases that have initial terms in excess of one year as of March 31, 2020 are:

<u>Year Ending March 31,</u>	<u>Amount</u>
2021	\$ 8,570
2022	7,210
2023	5,306
2024	1,932
2025	1,932
Total	<u>\$ 24,950</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, 2020 and 2019 are as follows:

**Functional Overhead Expenses (Excluding In-Kind Expenses)**

	<u>2020</u>	<u>2019</u>
Management and General:		
Office Operations	\$ 556,614	\$ 522,123
Marketing	137,988	192,840
Fundraising:		
Campaign	660,016	748,669
Total Functional Overhead Expenses (Excluding In-Kind Expenses)	<u>\$ 1,354,618</u>	<u>\$ 1,463,632</u>
Total Revenue* (Including Designations/ Excluding In-Kind Donations)	<u>\$ 8,174,338</u>	<u>\$ 9,368,079</u>
Overhead Rate - Including Uncollected Promises	16.6%	15.6%
Overhead Rate - Excluding Uncollected Promises	15.1%	14.4%

\* Includes \$30,000 and \$10,982 of endowment campaign revenue for the years ended March 31, 2020 and 2019, respectively.

**UNITED WAY FOX CITIES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2020 AND 2019**

**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:

	2020 Fair Value Measurements Using			
	Level 1	Level 2	Level 3	Total
<b>Assets:</b>				
Beneficial Interest	\$ -	\$ -	\$ 6,577,703	\$ 6,577,703
Other Assets - Mutual Funds	190,765	-	-	190,765
Total Assets at Fair Value	<u>\$ 190,765</u>	<u>\$ -</u>	<u>\$ 6,577,703</u>	<u>\$ 6,768,468</u>
<b>Liability:</b>				
Other Liabilities	<u>\$ 190,765</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 190,765</u>
	2019 Fair Value Measurements Using			
	Level 1	Level 2	Level 3	Total
<b>Assets:</b>				
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>
<b>Liability:</b>				
Other Liabilities	<u>\$ 203,075</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 203,075</u>

**UNITED WAY FOX CITIES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2020 AND 2019**

**NOTE 13 FAIR VALUE MEASUREMENTS (CONTINUED)**

There have been no changes in the methodologies used at March 31, 2020. 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:

	<u>2020</u>	<u>2019</u>
Beneficial Interest in Assets at Community Foundation		
Balance - Beginning of Year	\$ 7,626,175	\$ 7,495,135
Net Contributions Invested (Distributed)	(730,000)	11,322
Return on Investment in Beneficial Interest	<u>(318,472)</u>	<u>119,718</u>
Balance - End of Year	<u>\$ 6,577,703</u>	<u>\$ 7,626,175</u>

**NOTE 14 RISKS AND UNCERTAINTIES**

On March 11, 2020, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Specific to the Organization, COVID19 may impact various parts of its 2021 operations and financial results, including investment return, campaign revenue, provision for uncollectible promises receivable, general donations, and various programs offered. Management believes the Organization is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events are still developing.

**UNITED WAY FOX CITIES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2020 AND 2019**

**NOTE 15 CONTRIBUTED GOODS AND SERVICES**

Several organizations have provided various goods or services at no charge, the fair 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, 2020 and 2019:

		2020				
		Office				
	Program	Operation	Marketing	Campaign	Total	
Diapers	\$ 340,482	\$ -	\$ -	\$ -	\$ 340,482	
Rent	22,200	-	-	-	22,200	
Books	17,395	-	-	-	17,395	
Other	7,349	6,639	3,250	34,543	51,781	
Total	<u>\$ 387,426</u>	<u>\$ 6,639</u>	<u>\$ 3,250</u>	<u>\$ 34,543</u>	<u>\$ 431,858</u>	
		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	<u>\$ 200,527</u>	<u>\$ 6,151</u>	<u>\$ 3,300</u>	<u>\$ 30,357</u>	<u>\$ 240,335</u>	

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.**  
**SCHEDULES OF PARTNER PROGRAM EXPENSES**  
**YEARS ENDED MARCH 31, 2020 AND 2019**

	2020	2019
Advocap	\$ 51,985	\$ 50,471
AIDS Resource Center of Wisconsin	63,665	63,665
American Red Cross in Northeast Wisconsin Chapter	104,826	104,826
Appleton Public Library	43,394	15,000
Best Friends of Neenah-Menasha	162,419	154,685
Big Brothers/Big Sisters of the Fox Valley Region	176,783	168,365
Boys' and Girls' Brigade Association	32,148	31,518
Boys and Girls Club of the Fox Valley	337,051	325,001
CAP Services, Inc.	106,273	103,178
Catalpa Health	93,625	91,789
Catholic Charities of the Diocese of Green Bay	99,362	96,939
Covey/Cerebral Palsy Mideast WI	47,500	40,000
Child Care Resource and Referral, Inc.	76,256	76,256
Christine Ann Domestic Abuse Services	107,908	104,764
Community Family Resource Center	30,388	29,503
Family Services of Northeast Wisconsin	459,640	459,805
Financial Information and Service Center	195,700	193,390
Fox Valley Literacy Coalition	110,500	110,500
Fox Valley Memory Project	86,772	85,227
Friendship Place	117,131	114,835
Girl Scouts of the Northwestern Great Lakes	135,782	135,782
Harbor House Domestic Abuse Program	187,500	175,500
Legal Action of Wisconsin	75,000	75,000
Lutheran Social Services	146,597	142,327
National Alliance on Mental Illness (NAMI) Fox Valley	122,570	122,570
Neenah-Menasha Dental Clinic	50,445	48,975
Neenah-Menasha Dial-A-Ride	8,500	8,500
Nonprofit Affordable Housing Based Rental Services (NAHBRS)	17,992	17,992
Partnership Community Health Center	146,775	146,775
Pillars	292,366	277,449
Project Bridges Day Care and Preschool	152,714	144,480
Reach Counseling Services	202,358	198,385
Samaritan Counseling Center	60,000	57,500
Sexual Assault Crisis Center of the Fox Cities	130,419	122,241
SOAR Fox Cities	288,145	279,753
Valley Packaging Industries	386,346	374,987
Villa Hope	19,000	19,000
YMCA of the Fox Cities	617,267	614,276
Youth-Go	209,000	207,900
Subtotal	5,752,102	5,589,109
Less: Expenses Funded through Designations	(345,004)	(371,924)
Net Partner Agency Program Expenses	\$ 5,407,098	\$ 5,217,185