METRO UNITED WAY, INC.
A Not-for-Profit Corporation

Financial Report

April 30, 2015 and 2014

CONTENTS

INDEPENDENT AUDITOR'S REPORT

HARDING, SHYMANSKI
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Finance Committee
Metro United Way, Inc.
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Report on the Financial Statements

We have audited the accompanying financial statements of Metro United Way, Inc., a Not-for-Profit Corporation, which comprise the statement of financial position as of April 30, 2015, the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 auditor's 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 on the previous page present fairly, in all material respects, the financial position of Metro United Way, Inc., as of April 30, 2015, and changes in its net assets and its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Restatement of Prior Year

As described in Note 14 to the financial statements, the April 30, 2014 financial statements have been restated to correct the prior recognition of allocation payable.

Report on Summarized Comparative Information

We have previously audited Metro United Way, Inc.'s, a Not-for-Profit Corporation, April 30, 2014 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 19, 2014. In our opinion, the summarized comparative information as restated and presented herein as of and for the year ended April 30, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Harding, Shymanski & Company, P.S.C.

Louisville, Kentucky
September 11, 2015

METRO UNITED WAY, INC.
A Not-for-Profit Corporation

STATEMENTS OF FINANCIAL POSITION
April 30, 2015 and 2014

	2015	2014 (as restated)
ASSETS		
Cash and Cash Equivalents	**$ 2,893,702**	$ 3,139,615
Certificates of Deposit	**667,088**	1,178,350
Investments	**6,447,399**	5,609,171
Pledges Receivable, Less Allowance for Uncollectible Pledges 2015 $949,066; 2014 $2,037,133	**11,639,465**	12,779,049
Other Receivables and Prepaid Expenses	**323,650**	538,229
Land, Building, and Equipment, Net	**2,543,342**	2,634,298
Assets Held for Custodian Funds	**186,034**	885,643
Investments Held by Others	**1,357,268**	1,317,988
Total assets	**$ 26,057,948**	$ 28,082,343
LIABILITIES AND NET ASSETS		
Allocations Payable	**$ 7,624,345**	$ 9,282,979
Accounts Payable and Accrued Expenses	**542,771**	552,613
Grant Funds Payable	**0**	444,058
Pension Liability	**3,882,538**	2,048,710
Amounts Due Custodian Funds	**186,034**	885,643
Total liabilities	**12,235,688**	13,214,003
Net Assets		
Unrestricted		
Invested in land, building, and equipment	**2,543,342**	2,634,298
Appropriated for Southern Indiana	**480,822**	529,630
Unappropriated	**4,018,683**	5,514,321
	7,042,847	8,678,249
Temporarily restricted	**5,172,489**	4,599,113
Permanently restricted	**1,606,924**	1,590,978
Total net assets	**13,822,260**	14,868,340
Total liabilities and net assets	**$ 26,057,948**	$ 28,082,343

See notes to financial statements.

METRO UNITED WAY, INC.
A Not-for-Profit Corporation

STATEMENTS OF ACTIVITIES
Years Ended April 30, 2015 and 2014

	April 30, 2015				
	Unrestricted Net Assets	Temporarily Restricted	Permanently Restricted	Total	April 30, 2014 (as restated)
Total 2014/2013 campaign results	$ 24,210,506	$ 2,502,759	$ 0	$ 26,713,265	$ 26,462,448
Donor designations	(6,049,102)	0	0	(6,049,102)	(6,373,612)
Total 2014/2013 campaign contributions	18,161,404	2,502,759	0	20,664,163	20,088,836
Revenues, gains, and other support:					
Current campaign					
Contributions received in the current year	$ 17,749,562	$ 2,310,361	$ 0	$ 20,059,923	$ 19,459,384
Contributions received in prior years released from restrictions	411,842	(411,842)	0	0	0
Total contributions from current campaign	18,161,404	1,898,519	0	20,059,923	19,459,384
Provision for uncollectible pledges	(967,869)	0	0	(967,869)	(934,517)
Future campaigns:					
Contributions received for future allocation periods	0	95,469	0	95,469	832,295
Provision for uncollectible pledges	0	(3,388)	0	(3,388)	(31,211)
Prior campaigns:					
Additional contributions	1,104,729	11,000	0	1,115,729	1,339,623
Total campaigns	18,298,264	2,001,600	0	20,299,864	20,665,574
Legacies and bequests	59,197	0	0	59,197	500
Grants and other income	156,593	107,143	10,000	273,736	270,152
Investment income, net	138,193	(16,801)	(508)	120,884	197,095
Rental income	16,545	0	0	16,545	39,548
Realized and unrealized gains on investments, net	267,696	25,688	0	293,384	408,808
Appreciation of investments held by others	4,487	76,945	6,454	87,886	102,359
Administrative fees for fundraising on behalf of others	149,485	0	0	149,485	347,785
Other fees and miscellaneous sales	11,492	0	0	11,492	23,326
Other net assets released from restrictions	1,621,199	(1,621,199)	0	0	0
Total revenues, gains, and other support	$ 20,723,151	$ 573,376	$ 15,946	$ 21,312,473	$ 22,055,147

See notes to financial statements.

STATEMENTS OF ACTIVITIES (CONTINUED)
Years Ended April 30, 2015 and 2014

	April 30, 2015				
	Unrestricted Net Assets	Temporarily Restricted	Permanently Restricted	Total	April 30, 2014 (as restated)
Allocations and other functional expenses:					
Gross allocations to agencies and partners	$ 17,179,234	$ 0	$ 0	$ 17,179,234	$ 18,268,086
Less donor designations	(6,049,102)	0	0	(6,049,102)	(6,373,612)
Net allocations to agencies and partners	11,130,132	0	0	11,130,132	11,894,474
Program/community services	4,796,827	0	0	4,796,827	5,664,763
Supporting services					
Fundraising	2,836,986	0	0	2,836,986	3,036,716
Management and general	1,737,213	0	0	1,737,213	1,800,220
Total allocations and other functional expenses	20,501,158	0	0	20,501,158	22,396,173
Changes in net assets before pension related changes	221,993	573,376	15,946	811,315	(341,026)
Pension related changes other than net periodic pension costs	(1,857,395)	0	0	(1,857,395)	966,309
Change in net assets	(1,635,402)	573,376	15,946	(1,046,080)	625,283
Net assets at beginning of period (as restated)	8,678,249	4,599,113	1,590,978	14,868,340	14,243,057
Net assets at end of period	$ 7,042,847	$ 5,172,489	$ 1,606,924	$ 13,822,260	$ 14,868,340

See notes to financial statements.

METRO UNITED WAY, INC.
A Not-for-Profit Corporation

STATEMENTS OF CASH FLOWS
Years Ended April 30, 2015 and 2014

	2015	2014 (as restated)
Cash Flows from Operating Activities		
Change in net assets	**$ (1,046,080)**	$ 625,283
Adjustments to reconcile change in net assets to net cash used in operating activities		
Depreciation	**214,272**	219,801
Provision for uncollectible pledges, total	**971,257**	790,553
Appreciation of investments held by others	**(87,886)**	(102,359)
Investment income for long-term investments, net	**(120,884)**	(197,095)
Realized and unrealized gains on investments, net	**(293,384)**	(408,808)
Changes in		
Pledges receivable	**168,327**	(170,895)
Other receivables and prepaid expenses	**214,579**	(86,877)
Allocations payable	**(1,658,634)**	(801,504)
Accounts payable and accrued expenses	**(9,842)**	(319,543)
Grant funds payable	**(444,058)**	444,058
Pension liability	**1,833,828**	(717,170)
Net cash used in operating activities	**$ (258,505)**	$ (724,556)
Cash Flows from Investing Activities		
Purchases of land, building, and equipment	**$ (123,316)**	$ (132,009)
Purchases of investments	**(803,013)**	(119,216)
Proceeds from sale of investments, certificates of deposit, and assets held by others	**938,921**	574,374
Net cash provided by investing activities	**$ 12,592**	$ 323,149
Net decrease in cash and cash equivalents	**(245,913)**	(401,407)
Cash and cash equivalents at beginning of year	**3,139,615**	3,541,022
Cash and cash equivalents at end of year	**$ 2,893,702**	$ 3,139,615

See notes to financial statements.

METRO UNITED WAY, INC.
A Not-for-Profit Corporation

STATEMENTS OF FUNCTIONAL EXPENSES
Years Ended April 30, 2015 and 2014

	Program/Community Services			Supporting Services			Totals	
	Community Investments and Fund Distribution	Community Services	Total Program/ Community Services	Fundraising	Management and General	Total Supporting Services	2015	2014 (as restated)
Gross Allocations	$ 17,179,234	$ 0	$ 17,179,234	$ 0	$ 0	$ 0	$ 17,179,234	$ 18,268,086
Less donor designations	(6,049,102)	0	(6,049,102)	0	0	0	(6,049,102)	(6,373,612)
Net allocations	11,130,132	0	11,130,132	0	0	0	11,130,132	11,894,474
Salaries	302,006	1,323,158	1,625,164	1,488,240	897,980	2,386,220	4,011,384	4,020,584
Fringe benefits	56,945	262,493	319,438	287,768	189,833	477,601	797,039	888,581
Payroll taxes	21,128	99,679	120,807	115,002	67,298	182,300	303,107	284,667
Professional fees and contract services	27,418	1,706,515	1,733,933	251,587	265,558	517,145	2,251,078	2,351,643
Supplies	1,006	13,044	14,050	8,124	5,115	13,239	27,289	25,437
Telephone	4,300	57,040	61,340	38,123	15,528	53,651	114,991	144,221
Postage and shipping	424	11,033	11,457	12,787	8,720	21,507	32,964	38,374
Occupancy	15,579	109,638	125,217	133,964	49,162	183,126	308,343	335,539
Equipment repairs and rentals	4,005	81,466	85,471	57,306	23,631	80,937	166,408	127,478
Printing and duplicating	3,848	124,099	127,947	46,792	25,631	72,423	200,370	209,652
Travel	6,075	103,987	110,062	42,066	14,340	56,406	166,468	147,516
Conferences, conventions, and meetings	11,691	203,532	215,223	70,666	46,718	117,384	332,607	266,476
Membership dues	1,215	2,776	3,991	4,018	2,654	6,672	10,663	7,613
Dues to State United Ways	2,531	29,528	32,059	37,120	15,186	52,306	84,365	82,841
Insurance	2,517	8,194	10,711	12,844	9,075	21,919	32,630	31,026
Banking and processing fees	981	11,451	12,432	14,363	6,095	20,458	32,890	31,475
Specific assistance to individuals - March2Recovery	0	0	0	0	0	0	0	997,221
Miscellaneous	1,667	1,501	3,168	2,750	7,361	10,111	13,279	6,161
Depreciation	6,428	74,995	81,423	94,279	38,570	132,849	214,272	219,801
	469,764	4,224,129	4,693,893	2,717,799	1,688,455	4,406,254	9,100,147	10,216,306
United Way Worldwide dues	8,126	94,808	102,934	119,187	48,758	167,945	270,879	285,393
Total functional expenses	$ 11,608,022	$ 4,318,937	$ 15,926,959	$ 2,836,986	$ 1,737,213	$ 4,574,199	$ 20,501,158	$ 22,396,173

See notes to financial statements.

Note 1 – Organization

Metro United Way, Inc. (Metro United Way or Organization) is a not-for-profit Organization managed by a Board of Directors and is not subject to federal or state income taxes. The Organization serves a seven-county area in Kentucky and Southern Indiana.

Metro United Way has a strong commitment to advance the common good by improving lives and the community. The Organization achieves this by addressing community-level issues and showing measurable progress in the areas of education, financial stability, and health, the building blocks for a good quality of life. The Organization brings the people and organizations with the passion, expertise, and resources together to realize a vision of a community whose people achieve their fullest potential through education, financial stability, and healthy lives.

The accounts in the financial statements include the following activities:

Annual Campaign: An annual campaign is conducted to raise support for programs and services of participating agencies and other partners. The Louisville Area Chapter of the American Red Cross, participates as a fundraising partner in the annual campaign and receives campaign pledges in accordance with their agreement.

Combined Federal Campaign (CFC): The CFC results from the agreement between the Louisville Area Federal Executive Association (Local Federal Coordinating Committee) and Metro United Way is conducted in order to meet the wishes of federal employees for a single campaign to reduce the costs to the U.S. Government and increase financial support to not-for-profit organizations through payroll giving. Metro United Way is the Principal Combined Fund Organization (PCFO) for the CFC.

The CFC is conducted simultaneously with Metro United Way's annual campaign. Metro United Way, along with participating agencies, receives a percentage of the campaign pledges collected, net of campaign expenses. Such funds are accounted for in a custodial fund and in accordance with the terms of the campaign agreement.

CFC is included in total campaign results and donor designations. Designations are made to each member organization by distributing a proportionate share of receipts based on donor designations to each member. In addition, assets related to CFC are included in "Assets Held for Custodian Funds" along with the corresponding liability included in "Amounts Due Custodian Funds."

The 2013 Campaign for the CFC, which ended March 31, 2015, was the final campaign for which Metro United Way served as PCFO. For the year ended April 30, 2015, there were no CFC amounts to be included in total campaign results or donor designations.

Note 2 – Summary of Significant Accounting Policies

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America for not-for profit organizations, and financial statement standards issued by United Way of America. Significant accounting policies follow:

Summarized Financial Information for Prior Year

The financial statements and notes include certain prior-year summarized comparative information. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Metro United Way's financial statements for the year ended April 30, 2014, from which the summarized information was derived.

Concentration of Credit Risk

Financial instruments, which potentially subject the Organization to concentrations of credit risk, consist principally of cash, cash equivalents, certificates of deposit, and accounts receivable. At times, such cash, cash equivalents, and certificates of deposit in banks may be in excess of the Federal Deposit Insurance Corporation insurance limit.

Cash and Cash Equivalents

For purposes of reporting the statements of cash flows, the Organization considers all cash accounts, which are not subject to withdrawal restrictions or penalties, and all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Certificates of Deposit

The Organizations' investments in certificates of deposit are classified separately on the statements of financial position and are carried at the principal plus accrued interest.

Contributions

The Organization reports gifts of cash and other assets as restricted if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Pledges received for which the time restriction has been met in the current period are recorded in unrestricted net assets.

Note 2 – Summary of Significant Accounting Policies (Continued)

Contributions (Continued)

Contributions received where the donor has restricted the use of the principal and allows only the income to be utilized to support activities of the Organization, are recorded as permanently restricted net assets.

Contributions received for investment in land, building, and equipment, unless restricted by the donor, are designated for that purpose by the Board and recorded as unrestricted net assets. Contributions specifically restricted by the donor are reported in temporarily restricted net assets.

Contributions received, which have been designated by the donor to be given to another organization, are included in total campaign results, but are not included in revenues on the accompanying statements of activities. These contributions pass through Metro United Way as agency transactions to the designated recipient.

Functional Expenses

The Organization uses time allocation for the allocation of expenses between fundraising, management and general, and program services. Costs of items that can be specifically identified are charged directly to the respective category.

Pledges Receivable

Pledges, less an estimated provision for uncollectible amounts, are recorded as receivables in the year made. The provision for uncollectible pledges is based upon the Organization's collection policy, past experience, the length of time pledges have been outstanding, and current economic factors.

At the end of the collection period of each campaign, any differences between the original provision for uncollectible pledges and the actual uncollectible amount is recognized by the Organization and recorded with "Prior Campaigns-Additional Contributions" on the statements of activities.

Donated Services, Goods, and Property

Various volunteers have donated substantial amounts of time toward the annual campaign and the various community activities; however, no values of in-kind amounts have been included in the financial statements as there is no objective basis upon which to measure the value of these services.

Donated goods and property are recorded in the financial statements at their fair value when received.

Note 2 – Summary of Significant Accounting Policies (Continued)

Investments and Investments Held by Others

Investments and investments held by others are recorded at fair value based on quoted market value. Unrealized and realized gains and losses are recorded in the statements of activities as well as appreciation and depreciation of investments held by others. Investment earnings are reported net of related expenses, such as custodial and commission fees. Short-term investments consist of cash and cash equivalents held by investment firms.

Fair Value Measurements

Under the Financial Accounting Standards Board's (FASB) authoritative guidance on fair value measurements, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Organization uses various methods including market, income, and cost approaches. Based on these approaches, the Organization often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and/or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. The Organization utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques, the Organization is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

Level 1 – Valuations for assets and liabilities traded in active exchange markets, such as the New York Stock Exchange. Level 1 also includes U.S. Treasury and federal agency securities and federal agency mortgage-backed securities, which are traded by dealers or brokers in active markets. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

Level 2 – Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third party pricing services for identical or similar assets or liabilities.

Level 3 – Valuations for assets and liabilities that are derived from other valuations methodologies, including option pricing models, discounted cash flow models, and similar techniques, and not based on market exchange, dealer, or broker-traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities.

While the Organization believes its 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 estimate of fair value at the reporting date.

Note 2 – Summary of Significant Accounting Policies (Continued)

Fair Value Measurements (Continued)

During the years ended April 30, 2015 and 2014, there were no changes to the Organization's valuation techniques that had, or are expected to have, a material impact on its financial position or results of operations.

The following is a description of the valuation methodology used for instruments measured at fair value:

Investment Securities

The fair value of investment securities is the market value based on quoted market prices, if available, or market prices provided by recognized broker dealers. If listed prices or quotes are not available, fair value is based upon externally developed models that use unobservable inputs due to the limited market activity of the instrument.

Beneficial Interest in Perpetual Trusts

The fair value of the beneficial interest in perpetual trusts is recorded at the stated value of the Organization's interest as determined by the trustee. Based on the valuation method and nonredeemable nature of the assets, the measures of the fair value of the beneficial interest are categorized as Level 3, as further discussed in Note 3.

Property, Equipment, and Depreciation

Property and equipment are stated at cost. Provisions for depreciation of property and equipment have been computed on the straight-line method over the estimated useful life.

Long-Lived Assets

Long-lived assets are reviewed for impairment in accordance with guidance issued by FASB. The Organization records impairment losses on long-lived assets used in operations when events and circumstances indicate that the assets might be impaired and the undiscounted cash flows estimated to be generated by those assets are less than the carrying amounts of those assets. Impairment losses are measured by comparing the estimated fair value of the assets to their carrying amount. There were no impairment losses for the years ended April 30, 2015 and 2014, respectively.

Allocations Payable

Allocations payable are recorded once the Board has made the commitment to the community of the amount that will be allocated for each particular campaign.

Note 2 – Summary of Significant Accounting Policies (Continued)

Grant Funds Payable

Grant funds payable relate to the unspent funds to be returned to the grantor at the end of the grant period for a one-time grant received for tornado relief efforts referred to as "March2Recovery."

Legacies and Bequests

Legacies and bequests are generally recognized when Metro United Way is notified and are accounted for separately from the annual campaigns.

Income Taxes

Metro United Way is exempt from federal income taxes pursuant to Section 501(c)(3) of the Internal Revenue Code and is not considered a private foundation.

Subsequent Events Evaluation

The Organization has evaluated subsequent events through September 11, 2015, the date on which the financial statements were available to be issued.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Reclassification

Certain items in the April 30, 2014 financial statements have been reclassified to conform to the April 30, 2015 classifications.

Note 2 – Summary of Significant Accounting Policies (Continued)

Recently Adopted Accounting Standards

Classification of the Sale Proceeds of Donated Financial Assets in the Statement of Cash Flows

In October 2012, FASB issued guidance which requires a not-for-profit entity to classify cash receipts from the sale of donated financial assets consistently with cash donations received in the statement of cash flows if those cash receipts were from the sale of donated financial assets that upon receipt were directed without any not-for-profit entity-imposed limitations for sale and were converted nearly immediately into cash. Accordingly, the cash receipts from the sale of those financial assets should be classified as cash inflows from operating activities, unless the donor restricted the use of the contributed resources to long-term purposes, in which case those cash receipts should be classified as cash flows from financing activities. Otherwise, cash receipts from the sale of donated financial assets should be classified as cash flows from investing activities. This guidance is effective prospectively for fiscal years, and interim periods within those years, beginning after June 15, 2013. The guidance primarily impacts the Organization's presentation of cash flows. The adoption of this guidance did not have a material impact on the Organization's financial statements.

Note 3 – Investments and Investments Held by Others

Investments are summarized as follows at April 30, 2015 and 2014:

	2015		2014	
	Cost	Fair Value	Cost	Fair Value
Corporate bonds	$ 1,437,469	$ 1,427,909	$ 1,057,299	$ 1,054,676
Common stock and mutual funds	3,568,333	4,524,639	3,307,344	4,091,130
Money market funds	494,851	494,851	463,365	463,365
	$ 5,500,653	$ 6,447,399	$ 4,828,008	$ 5,609,171

Investment income for the years ended April 30, 2015 and 2014 has been presented net of related investment expenses of $44,293 and $37,616, respectively, in the statements of activities.

Note 3 – Investments and Investments Held by Others (Continued)

At April 30, 2015 and 2014, the balances of investments measured at fair value on a recurring basis are as follows:

	Fair Value	Level 1	Level 2	Level 3
April 30, 2015				
Money market funds	$ 494,851	$ 494,851	$ 0	$ 0
Common stock and mutual funds	4,524,639	4,524,639	0	0
Corporate bonds	1,427,909	1,427,909	0	0
	$ 6,447,399	$ 6,447,399	$ 0	$ 0
April 30, 2014				
Money market funds	$ 463,365	$ 463,365	$ 0	$ 0
Common stock and mutual funds	4,091,130	4,091,130	0	0
Corporate bonds	1,054,676	1,054,676	0	0
	$ 5,609,171	$ 5,609,171	$ 0	$ 0

Note 3 – Investments and Investments Held by Others (Continued)

At April 30, 2015 and 2014, the Organization's investments held by others measured at fair value on a recurring basis are as follows:

	Fair Value	Level 1	Level 2	Level 3
April 30, 2015				
Money market funds	$ 3,215	$ 3,215	$ 0	$ 0
Common stock and mutual funds	924,275	924,275	0	0
Corporate bonds	184,761	184,761	0	0
Fair value of investments held by others	1,112,251	1,112,251	0	0
Beneficial interest in trusts held by others	245,017	0	0	245,017
Total investments held by others at fair value	$ 1,357,268	$ 1,112,251	$ 0	$ 245,017
April 30, 2014				
Money market funds	$ 10,707	$ 10,707	$ 0	$ 0
Common stock and mutual funds	883,503	883,503	0	0
Corporate bonds	184,707	184,707	0	0
Fair value of investments held by others	1,078,917	1,078,917	0	0
Beneficial interest in trusts held by others	239,071	0	0	239,071
Total investments held by others at fair value	$ 1,317,988	$ 1,078,917	$ 0	$ 239,071

Note 3 – Investments and Investments Held by Others (Continued)

The Organization has beneficial interest in perpetual trusts that are categorized as Level 3. Changes in the fair value of the Organization's beneficial interest in trusts held by others are as follows:

Beginning balance at April 30, 2013	$ 223,204
Total realized and unrealized net gains included in change in net assests	24,924
Distributions to the Organization	(9,057)
Balance at April 30, 2014	239,071
Total realized and unrealized net gains included in change in net assests	16,443
Distributions to the Organization	(10,497)
Balance at April 30, 2015	$ 245,017

Note 4 – Pledges Receivable

A summary of the components of pledges receivable is as follows:

	2015	2014
2012 campaign	$ 0	$ 1,367,528
2013 campaign	0	12,610,374
2014 campaign	12,220,931	0
Future campaigns	367,600	838,280
Total pledges receivable	12,588,531	14,816,182
Less allowance for uncollectible pledges	(949,066)	(2,037,133)
Net pledges receivable	$ 11,639,465	$ 12,779,049

The timing of the close out of campaigns will vary from year to year based on the status of collections. The Organization closed out the 2013 campaign as of April 30, 2015. The 2012 campaign was open and was included in the pledges receivable and allowance for uncollectible pledges as of April 30, 2014.

Note 4 – Pledges Receivable (Continued)

Metro United Way receives pledges from corporations and individuals primarily located in Jefferson and adjoining counties in Kentucky and Southern Indiana. Although Metro United Way has many diverse pledges from donors, a substantial portion of its donors' abilities to perform is somewhat dependent on the economic conditions of the counties in which they operate.

Note 5 – Property and Equipment

Property and equipment at April 30, 2015 and 2014 consisted of the following:

	2015		2014	
	Cost	Accumulated Depreciation	Cost	Accumulated Depreciation
Land	$ 403,218	$ 0	$ 403,218	$ 0
Building and improvements	4,444,900	2,399,336	4,365,266	2,245,748
Equipment, furniture, and fixtures	1,416,066	1,321,506	1,372,384	1,260,822
Leasehold improvements	22,688	22,688	22,688	22,688
Automobiles	60,107	60,107	81,205	81,205
	$ 6,346,979	$ 3,803,637	$ 6,244,761	$ 3,610,463

Depreciation expense for the years ended April 30, 2015 and 2014 was $214,272 and $219,801, respectively.

Note 6 – Line of Credit

The Organization has an operating line of credit with maximum borrowings of $1,000,000. Metro United Way has pledged not to, without prior written consent of the bank, voluntarily or involuntarily, sell, transfer, or convey any of its assets (except in the ordinary course of business) or pledge or grant a security interest in any assets, except for those permitted liens on specific equipment which have been granted to the bank. Interest is at 1.15 percent in excess of LIBOR rate. The line of credit matures on December 27, 2015. There were no borrowings on the line of credit at April 30, 2015 and 2014.

Note 7 – Temporarily Restricted Net Assets and Net Assets Released From Restrictions and Commitments

Temporarily restricted net assets at April 30, 2015 and 2014 represent contributions restricted by donors for specific programs of Metro United Way, subsequent year allocations to Metro United Way agencies, restricted grants, and certain land, building, and equipment which are restricted for a specific program.

A summary of the components of temporarily restricted net assets is as follows:

	2015	2014
Programs		
Success By Six	$ 25,845	$ 19,796
Early Childhood Excellence Academy	776,232	473,210
Other Early Care and Education Initiatives	139,597	137,400
Family Stability Initiatives	308,084	242,107
Future Campaigns	344,355	664,117
Foster Care Initiative	1,896,832	1,309,001
Disaster Relief	31,056	31,618
Wallace OST Grant	250,148	490,056
Other High School Graduation Initiatives	223,635	161,768
Other Restricted Gifts	56,702	33,290
	4,052,486	3,562,363
Endowment Fund Earnings	1,120,003	1,036,750
	$ 5,172,489	$ 4,599,113

As further discussed in Note 8, endowment fund earnings that have not been appropriated for expenditure by the Organization are classified as temporarily restricted net assets.

Net assets of $411,842 for the year ended April 30, 2015 have been released from temporarily restricted net assets due to the expiration of time restrictions on campaign pledges. Purpose-based restrictions of $1,621,199 have also been released from net assets for the year ended April 30, 2015.

Note 8 – Endowment Funds

Endowment Funds

As approved by the Board of Directors, Metro United Way's general endowment is invested through Fifth Third Bank's Foundation and Endowment Services. As directed by the donor, Metro United Way's Otis T. Turner Memorial Fund (Turner Fund) is invested through PNC Institutional Investments. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Organization complies with the recognition and disclosure provisions of *Endowments of Not-for-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Management of Institutional Funds Act, and Enhanced Disclosures of All Endowments Funds.* The position provides guidance for a not-for-profit organization that is subject to an enacted version of the Uniform Prudent Management Institutional Funds Act (UPMIFA) and for improved disclosures about donor-restricted and Board-designated endowment funds, regardless of the applicability of UPMIFA. In March 2010, the Commonwealth of Kentucky enacted UPMIFA.

The Organization has interpreted the UPMIFA as requiring the preservation of the fair value of the original gift as of the date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as permanently restricted net assts the original value of gifts donated to the permanent endowment, the original value of subsequent gifts to the permanent endowment, and accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified as permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard prudence prescribed by UPMIFA. In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

a. The duration and preservation of the fund
b. The purposes of the Organization and the donor-restricted endowment fund
c. General economic conditions
d. The possible effects of inflation and deflation
e. The expected total return from income and the appreciation of investments
f. Other resources of the Organization
g. The investment policies of the Organization

Note 8 – Endowment Funds (Continued)

Investment Objectives and Spending Policy

Metro United Way's general endowment and the Turner Fund are managed according to the Board's investment and spending policies. These policies attempt to provide a consistent return on assets, preserve capital, and the purchasing power of the assets while also providing a predictable funding stream to support programs and the annual campaign. General endowment assets consist of donor-restricted funds that Metro United Way must hold in perpetuity. Under these policies, general endowment and Turner Fund assets are invested in a manner to maintain the real value of the principal over the long-term, provide a return that is greater than that for the simple preservation of capital, and shall avoid undue risk. The investment managers are reviewed based on absolute returns; returns relative to market indices; and the universe of investment managers.

To satisfy its rate-of-return objectives, Metro United Way relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places a greater emphasis on equity based investments to achieve its return objectives within prudent risk constraints.

The net income from the general endowment and the Turner Fund is used to support the annual campaign or is used for other Board approved purposes, in accordance with the donor's intentions. This spending policy is consistent with Metro United Way's objective to preserve capital and the purchasing power of the assets while also providing a predictable funding stream to support programs and the annual campaign.

In addition to the donor-restricted endowment funds, the Organization has beneficial interest in perpetual trusts. The investment policy and the spending policy of the trust is determined by the trustee rather than by the Organization.

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Organization to retain as a fund of perpetual duration. There were no such deficiencies as of April 30, 2015 and 2014.

Note 8 – Endowment Funds (Continued)

Permanently Restricted Net Assets by Type

The composition of permanently restricted net assets by type at April 30, 2015 is as follows:

	Temporarily Restricted	Permanently Restricted
Donor-restricted endowment funds	$ 1,120,003	$ 1,361,907
Beneficial interest in trusts held by others	0	245,017
	$ 1,120,003	$ 1,606,924

The composition of permanently restricted net assets by type at April 30, 2014 is as follows:

	Temporarily Restricted	Permanently Restricted
Donor-restricted endowment funds	$ 1,036,751	$ 1,351,907
Beneficial interest in trusts held by others	0	239,071
	$ 1,036,751	$ 1,590,978

Note 8 – Endowment Funds (Continued)

Change in permanently restricted net assets, excluding beneficial interest in trusts held by others, for the year ended April 30, 2015 was:

	Unrestricted	Temporarily Restricted	Permanently Restricted
Endowment net assets, beginning of the year	$ 0	$ 1,036,750	$ 1,351,907
Investment return:			
Investment income	81,687	64,507	0
Net change in value (realized and unrealized)	0	102,633	0
Total investment return	81,687	167,140	0
Appropriation of endowment assets for expenditure	(81,687)	(83,887)	0
Contributions	0	0	10,000
Endowment net assets, end of year	$ 0	$ 1,120,003	$ 1,361,907

Change in permanently restricted net assets, excluding beneficial interest in trusts held by others, for the year ended April 30, 2014 was:

	Unrestricted	Temporarily Restricted	Permanently Restricted
Endowment net assets, beginning of the year	$ 0	$ 872,644	$ 1,328,907
Investment return:			
Investment income	81,653	66,745	0
Net change in value (realized and unrealized)	0	140,535	0
Total investment return	81,653	207,280	0
Appropriation of endowment assets for expenditure	(81,653)	(43,174)	0
Contributions	0	0	23,000
Endowment net assets, end of year	$ 0	$ 1,036,750	$ 1,351,907

Note 9 – Employee Benefit Plans

Metro United Way sponsors a defined benefit pension plan and a contributory defined contribution thrift plan that covers substantially all employees.

Thrift Plan

The thrift plan allows eligible employees to contribute a percentage of their annual compensation. Metro United Way will match up to three percent of the eligible employee contribution at a rate of 100 percent. Vesting for the employer contribution is 20 percent per year with full vesting in five years. Contributions to the thrift plan were $79,591 and $80,344 during the years ended April 30, 2015 and 2014, respectively.

Pension Plan

FASB Accounting Standards Codification (ASC) 715 "Compensation-Retirement Benefits" requires an employer without publicly traded equity securities to recognize the funded status of a defined benefit post-retirement plan and to provide the required disclosures under FASB ASC 715.

The changes in projected benefit obligation as of the years ended April 30, 2015 and 2014 are as follows:

	2015	2014
Projected benefit obligation at the beginning of the year	$ 10,463,726	$ 10,145,435
Service cost	359,401	389,974
Interest cost	453,400	416,779
Change due to assumption changes	2,032,768	(402,066)
Actuarial losses	179	7,395
Expense charges	(29,542)	(28,770)
Benefits disbursed	(102,427)	(65,021)
Projected benefit obligation at the end of the year	$ 13,177,505	$ 10,463,726

During the year ended April 30, 2015, Metro United Way changed its actuarial assumptions, presented later, which affected the calculation of the projected benefit obligation. The discount rate was changed to 3.75 percent in 2015 from 4.25 percent in 2014 in order to reflect an estimate of the current level of investment results in fixed income investments. The expected long-term rate of return on assets was changed to 6.5 percent in 2015 from 7.0 percent in 2014.

Note 9 – Employee Benefit Plans (Continued)

The following table sets forth the defined benefit plan's funded status and amounts recognized in Metro United Way's financial statements.

	2015	2014
Projected benefit obligation	$ 13,177,505	$ 10,463,726
Fair value of plan assets	9,294,967	8,415,016
Funded status	$ (3,882,538)	$ (2,048,710)
Accumulated benefit obligation	$ 12,122,063	$ 9,184,076
Accrued cost recognized in the statement of financial position	$ 3,882,538	$ 2,048,710

There are no plan assets expected to be returned to Metro United Way during the next fiscal year.

Net periodic pension cost including the following components for the years ended April 30, 2015 and 2014 is as follows:

	2015	2014
Service cost	$ 359,401	$ 389,974
Interest cost	453,400	416,779
Actual return on plan assets	(680,313)	(875,600)
Amortization of unrecognized net loss	39,354	211,209
Asset gain deferred	136,198	360,429
Net periodic pension cost	$ 308,040	$ 502,791

The following table sets forth items not yet recognized as a component of net periodic pension cost as follows:

	2015	2014
Net losses	$ 3,123,989	$ 1,266,594

Unrestricted net assets have been accordingly reduced or increased by net actuarial changes other than net periodic pension costs that are reported separately on the statements of activities. These amounts were a loss of $1,857,395 and a gain of $966,309 for the years ended April 30, 2015 and 2014, respectively.

Note 9 – Employee Benefit Plans (Continued)

Estimated amounts that will be amortized from additional pension liability and reclassified as net periodic benefit cost over the next fiscal year are as follows:

	2015	2014
Net gain (loss)	$ (392,660)	$ 45,879

Other information related to the plan for the years ended April 30, 2015 and 2014 is as follows:

	2015	2014
Benefit cost	$ 308,040	$ 502,791
Employer contribution	331,607	253,651
Benefits paid	102,427	65,021
Expense charges	29,542	28,770
Weighted-average assumptions used:		
Discount rate	3.75%	4.25%
Expected return on plan assets	6.50%	7.00%
Rate of compensation increase	4.50%	5.50%

The expected long-term rate of return on plan assets assumption of 6.5 percent was selected in accordance with the Actuarial Standards Board in Actuarial Standards of Practice No. 27 - Selection of Economic Assumptions for Measuring Pension Obligations. Based on investment policy for the pension plan in effect as of the beginning of the fiscal year, a best estimate range was determined for both the real rate of return (net of inflation and investment expense) and for inflation based on long term historical return on the applicable asset classes. An average inflation rate within the range equal to three percent was selected and added to the real rate of return range to arrive at a best estimate range of 6.42 percent to 9.8 percent. A rate of 6.5 percent which is near the low end of the best estimate range was selected. Metro United Way's investment objective is to invest plan assets in a manner that will assure sufficient resources to pay current and projected plan obligations over the life of the plan.

Note 9 – Employee Benefit Plans (Continued)

The following tables set forth by level, within the fair value hierarchy, Metro United Way's investment assets at fair value as of April 30, 2015 and 2014.

	Fair Value	Level 1
April 30, 2015		
Short-term investments	$ 660,622	$ 660,622
Common stock and mutual funds	5,701,166	5,701,166
Bond funds	2,933,179	2,933,179
	$ 9,294,967	$ 9,294,967
April 30, 2014		
Short-term investments	$ 455,405	$ 455,405
Common stock and mutual funds	5,133,120	5,133,120
Bond funds	2,826,491	2,826,491
	$ 8,415,016	$ 8,415,016

The weighted average asset allocation of the investment portfolio for Metro United Way at April 30, 2015 and 2014, and target allocations, are as follows:

	Allowable Allocation Range	Plan Assets	
		2015	2014
Equity	30%-70%	61.3%	61.0%
Bonds		31.6%	33.6%
Cash and general		7.1%	5.4%
Total fixed income	30%-70%	38.7%	39.0%
	100.0%	100.0%	100.0%

Note 9 – Employee Benefit Plans (Continued)

Estimated pension benefit payments, which reflect future service, for the years ending April 2015 through 2024 are as follows:

Years Ending April 30,	
2016	269,000
2017	327,000
2018	437,000
2019	495,000
2020	538,000
2021-2025	3,302,000
	$ 5,368,000

Metro United Way contributed approximately nine percent of plan compensation for eligible employees for the year ended April 30, 2015. For the fiscal year ended April 30, 2015, the Organization expects to continue to base its contribution percentage on the recommendation of the actuary after the actuarial valuation is completed. Based on this, the Organization estimates contributions of approximately $277,000 for the next fiscal year.

Note 10 – Leasing Arrangements as Lessor

Metro United Way leases office facilities on a month-to-month basis and under noncancelable operating leases which expire at various dates through 2016. The lessee pays executory costs such as property taxes, maintenance, and insurance. At April 30, 2015, aggregate future minimum rental payments to be received are as follows:

Years Ending April 30,	
2016	$ 13,200
2017	2,200
	$ 15,400

Note 11 – Commitments and Contingencies

In 1995, the Metro United Way Board of Directors changed the allocation payment cycle from a calendar year cycle to one beginning in July and ending in June of the following year. Each year thereafter, the Board has identified a portion of its services funding allocations as allocations to be paid from the next year's fundraising effort. Consistent with prior years, in the current year the Board identified $6,124,171 to be paid as allocations from the funds that will be generated by the 2015 Metro United Way fundraising effort. That amount will be expensed during the subsequent period once certain conditions have been met.

Metro United Way's ability to pay the agency allocations that are approved by the Organization's Board of Directors is in part, contingent upon the success of the campaign that will be completed in the fall of 2015. It is also contingent upon Metro United Way's ability to collect the funds pledged in the 2014 campaign at the level the Organization projected. If either contingency were to occur, adjustments to 2015-2016 agency allocations would need to be made.

Note 12 – Unemployment Services Trust

Metro United Way is a participating member of the Unemployment Services Trust, a revocable grantor trust composed of individual 501(c)(3) organizations. The Trust acts as a servicing agent for funds contributed by its participating members for payment of unemployment claims. As a participating member of the Trust, Metro United Way is able to take advantage of the benefits of directly reimbursing unemployment claims generally at a lower cost than paying state unemployment taxes.

Contributions to the Trust are recommended by the Trust's actuary, based on analyses of historical claims experience and current economic conditions in order to approximate future unemployment obligations of the Organization. Contributions totaled $11,604 and $14,637 for the fiscal years ended April 30, 2015 and 2014, respectively. Claims are paid by the Trust on behalf of Metro United Way to the Commonwealth of Kentucky for unemployment claims paid to former Metro United Way employees. The obligation for the estimated future claim liabilities of each participating member is ultimately the responsibility of that member. Since contributions are based on actuarial estimates, the amounts held in the Trust at a given time may be less than the potential future unemployment obligations of the Organization. Estimated future claims for Metro United Way were $30,327 and $45,258 at April 30, 2015 and 2014, respectively. The Organization estimates that the amounts held in the Trust as of April 30, 2015 approximate the potential future unemployment obligations incurred as of April 30, 2015.

Note 13 – Tax Status

The Internal Revenue Service has ruled that the Organization is exempt from the payment of federal income tax (except on unrelated business income) under the provisions of Section 501(c)(3) of the Internal Revenue Code of 1954. There were no taxes due for the years ended April 30, 2015 and 2014, as there was no unrelated business income for these years.

Management evaluated the Organization's uncertain tax positions and concluded that the Organization had taken no uncertain tax positions that require adjustment to the financial statements.

The Organization is subject to income tax examinations for its U.S. federal income taxes and state jurisdictions. The statute of limitations for assessment of federal and state income taxes expired with respect to tax returns through 2010.

Note 14 – Prior Period Adjustment

In the previously-issued financial statements for the year ended April 30, 2014, the Organization understated the allocations payable and donor designations. Accordingly, the financial statements for the year ended April 30, 2014 have been restated to increase total liabilities, decrease unrestricted net assets, and decrease the change in net assets by approximately $687,000. This financial reporting error did not affect the funds distributed or allocated by the Organization to its member agencies or partners.