

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

***Financial and Compliance Report***

***April 30, 2025***

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## INDEPENDENT AUDITOR'S REPORT



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Finance Committee  
Metro United Way, Inc.

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the financial statements of Metro United Way, Inc. (Organization), a Not-for-Profit Corporation, which comprise the statement of financial position as of April 30, 2025, the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of April 30, 2025, and the 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 (U.S. GAAP).

#### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. GAAP, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for one year after the date that the financial statements are issued or available to be issued.

## ***INDEPENDENT AUDITOR'S REPORT (CONTINUED)***

### ***Auditor's Responsibilities for the Audit of the Financial Statements***



Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and; therefore, is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

### ***Report on Summarized Comparative Information***

We have previously audited the Organization's 2024 financial statements, and our report dated January 10, 2025, expressed an unmodified opinion on those financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended April 30, 2024, as restated, is consistent, in all material respects, with the audited financial statements from which it has been derived.

## ***INDEPENDENT AUDITOR'S REPORT (CONTINUED)***

### ***Supplementary Information***



Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information such as the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report (beginning on page 40) dated December 9, 2025, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

*Wardig, Skymanski & Company, P.S.C.*

Louisville, Kentucky  
December 9, 2025

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

STATEMENTS OF FINANCIAL POSITION  
April 30, 2025 with Comparative Totals for 2024

	2025	2024
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 5,594,777	\$ 771,521
Investments	33,248,574	35,465,468
Pledges Receivable, Less Allowance for Uncollectible Pledges 2025 \$580,380; 2024 \$311,913	2,914,162	3,131,693
Other Receivables and Prepaid Expenses	347,140	1,230,225
Property and Equipment, Net	1,693,410	1,852,163
Assets Held for Custodian Funds	164,325	144,618
Investments Held by Others	2,307,731	2,201,244
Pension Asset	159,894	21,065
<b>Total assets</b>	<b>\$ 46,430,013</b>	<b>\$ 44,817,997</b>
<b>LIABILITIES AND NET ASSETS</b>		
Allocations Payable	\$ 76,653	\$ 400,781
Accounts Payable and Accrued Expenses	691,506	1,208,668
Amounts Due Custodian Funds	164,325	144,618
<b>Total liabilities</b>	<b>932,484</b>	<b>1,754,067</b>
<b>Net Assets</b>		
Without donor restrictions		
Invested in land, building, and equipment	1,693,410	1,852,163
Board designated for Southern Indiana	395,988	391,546
Board designated for future allocations and initiatives	4,869,350	8,693,574
Board designated for donor advised fund	2,938,580	4,108,430
Board designated for endowment fund	13,874,426	12,679,612
Undesignated	7,546,715	5,206,397
	<b>31,318,469</b>	<b>32,931,722</b>
With donor restrictions		
Purpose restricted	6,207,477	2,456,397
Time restricted for future periods	234,963	527,675
Beneficial interest in trusts held by others	735,213	700,994
Endowment	7,001,407	6,447,142
	<b>14,179,060</b>	<b>10,132,208</b>
<b>Total net assets</b>	<b>45,497,529</b>	<b>43,063,930</b>
<b>Total liabilities and net assets</b>	<b>\$ 46,430,013</b>	<b>\$ 44,817,997</b>

See notes to financial statements.

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

STATEMENTS OF ACTIVITIES

Year Ended April 30, 2025 with Comparative Totals for 2024

	April 30, 2025			
	Without Donor Restrictions	With Donor Restrictions	Total	April 30, 2024
Total 2024/2023 campaign results	\$ 6,049,698	\$ 216,284	\$ 6,265,982	\$ 6,624,916
Donor designations	(14,606)	0	(14,606)	(38,825)
Total 2024/2023 campaign contributions	<u>\$ 6,035,092</u>	<u>\$ 216,284</u>	<u>\$ 6,251,376</u>	<u>\$ 6,586,091</u>
Revenues, gains, and other support:				
<b>Current campaign:</b>				
Contributions received in the current year	\$ 5,631,109	\$ 67,340	\$ 5,698,449	\$ 6,032,048
Contributions received in prior years released from restrictions	403,983	(403,983)	0	0
Total contributions from current campaign	6,035,092	(336,643)	5,698,449	6,032,048
Provision for uncollectible pledges	(192,634)	0	(192,634)	(266,491)
<b>Future campaigns:</b>				
Contributions received for future allocation periods	0	114,052	114,052	565,427
Provision for uncollectible pledges	0	(2,782)	(2,782)	(22,025)
<b>Prior campaigns:</b>				
Additional contributions	1,666,580	10,026	1,676,606	2,485,783
Provision for uncollectible pledges	(73,253)	0	(73,253)	0
Total campaigns	7,435,785	(215,347)	7,220,438	8,794,742
Grants and other income	1,012,838	7,091,535	8,104,373	4,479,414
Investment income, net	1,003,608	1,104	1,004,712	903,447
Realized and unrealized gains on investments, net	1,480,888	488,817	1,969,705	2,488,250
Appreciation of investments held by others	0	78,281	78,281	316,961
Administrative fees for fundraising on behalf of others	31,639	0	31,639	10,168
Other fees	23,239	3,000	26,239	218,481
Other net assets released from restrictions	3,400,538	(3,400,538)	0	0
Total revenues, gains, and other support	<u>14,388,535</u>	<u>4,046,852</u>	<u>18,435,387</u>	<u>17,211,463</u>

See notes to financial statements.

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

STATEMENTS OF ACTIVITIES (CONTINUED)  
Year Ended April 30, 2025 with Comparative Totals for 2024

	April 30, 2025			
	Without Donor Restrictions	With Donor Restrictions	Total	April 30, 2024
Allocations and other functional expenses:				
Gross allocations to agencies and partners	\$ 5,407,474	\$ 0	\$ 5,407,474	\$ 5,554,930
Less donor designations	(14,606)	0	(14,606)	(38,825)
Net allocations expense to agencies and partners	5,392,868	0	5,392,868	5,516,105
Program/community services expense	5,525,021	0	5,525,021	6,226,611
Supporting services				
Fundraising	3,420,722	0	3,420,722	3,521,117
Management and general	1,967,616	0	1,967,616	1,974,223
Total allocations and other functional expenses	16,306,227	0	16,306,227	17,238,056
Changes in net assets before pension related changes	(1,917,692)	4,046,852	2,129,160	(26,593)
Pension related changes other than the service cost component of net periodic pension costs	304,439	0	304,439	851,510
Change in net assets	(1,613,253)	4,046,852	2,433,599	824,917
Net assets at beginning of year	32,931,722	10,132,208	43,063,930	42,239,013
Net assets at end of year	\$ 31,318,469	\$ 14,179,060	\$ 45,497,529	\$ 43,063,930

See notes to financial statements.



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

**STATEMENTS OF CASH FLOWS**

Year Ended April 30, 2025 with Comparative Totals for 2024

	2025	2024
Cash Flows from Operating Activities		
Change in net assets	\$ 2,433,599	\$ 824,917
Adjustments to reconcile change in net assets to net cash used in operating activities		
Depreciation	243,102	253,383
Pension and postretirement benefit additions	(138,829)	(617,389)
Provision for uncollectible pledges	268,669	288,516
Appreciation of investments held by others	(78,281)	(316,961)
Investment income for investments, net	(953,978)	(820,958)
Realized and unrealized gains on investments, net	(1,969,705)	(2,488,250)
Changes in assets and liabilities:		
Decrease (increase)		
Pledges receivable	(51,138)	(459,817)
Other receivables and prepaid expenses	883,085	(512,684)
Employee retention tax credits receivable	0	1,416,323
Increase (decrease)		
Allocations payable	(324,128)	(768,398)
Accounts payable and accrued expenses	(517,162)	31,546
<b>Net cash used in operating activities</b>	<b>(204,766)</b>	<b>(3,169,772)</b>
Cash Flows from Investing Activities		
Purchases of fixed assets	(84,349)	(152,543)
Purchases of investments	(4,380,006)	(10,481,241)
Proceeds from sale of investments and assets held by others	9,492,377	11,348,588
<b>Net cash provided by investing activities</b>	<b>5,028,022</b>	<b>714,804</b>
Net increase (decrease) in cash and cash equivalents	4,823,256	(2,454,968)
Cash and cash equivalents at beginning of year	771,521	3,226,489
Cash and cash equivalents at end of year	<u>\$ 5,594,777</u>	<u>\$ 771,521</u>

See notes to financial statements.

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

STATEMENTS OF FUNCTIONAL EXPENSES  
Year Ended April 30, 2025 with Comparative Totals for 2024

	<b>Total Program/Community Services</b>	<b>Fundraising Services</b>	<b>Management and General Services</b>	<b>2025 Total</b>	<b>2024 Total</b>
Gross allocations	\$ 5,407,474	\$ 0	\$ 0	\$ 5,407,474	\$ 5,554,930
Less donor designations	(14,606)	0	0	(14,606)	(38,825)
Net allocations	<u>5,392,868</u>	<u>0</u>	<u>0</u>	<u>5,392,868</u>	<u>5,516,105</u>
Salaries	2,108,078	1,870,139	1,160,163	5,138,380	5,232,658
Fringe benefits	312,797	313,006	163,024	788,827	898,554
Payroll taxes	166,745	162,407	89,387	418,539	412,113
Professional fees and contract services	1,939,769	304,806	249,693	2,494,268	3,059,650
Supplies	88,566	4,261	4,378	97,205	175,446
Telephone	33,964	24,548	8,881	67,393	107,094
Postage and shipping	9,265	13,168	4,342	26,775	31,149
Occupancy	156,516	172,168	62,607	391,291	382,434
Equipment, repairs, and rentals	76,357	57,101	20,154	153,612	97,407
Printing and duplicating	52,029	31,927	12,520	96,476	123,537
Travel	27,087	15,834	3,948	46,869	94,355
Conferences, conventions, and meetings	341,484	223,103	70,240	634,827	485,135
Membership dues	15,575	11,355	6,442	33,372	20,072
Dues to state United Ways	14,062	15,469	5,625	35,156	53,195
Insurance	36,134	39,648	14,958	90,740	41,805
Banking and processing fees	8,542	9,396	7,148	25,086	15,528
Miscellaneous	5,186	6,234	30,960	42,380	14,255
Depreciation	97,241	106,965	38,896	243,102	253,383
	<u>5,489,397</u>	<u>3,381,535</u>	<u>1,953,366</u>	<u>10,824,298</u>	<u>11,497,770</u>
United Way Worldwide dues	<u>35,624</u>	<u>39,187</u>	<u>14,250</u>	<u>89,061</u>	<u>224,181</u>
Total functional expenses	<u>\$ 10,917,889</u>	<u>\$ 3,420,722</u>	<u>\$ 1,967,616</u>	<u>\$ 16,306,227</u>	<u>\$ 17,238,056</u>

See notes to financial statements.

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

STATEMENTS OF FUNCTIONAL EXPENSES (CONTINUED)  
Year Ended April 30, 2025 with Comparative Totals for 2024

	Program/Community Services 2025							2025 Total Program/ Community Services	2024 Total Program/ Community Services
	Thriving Kids	Equitable Community	Strong Households/ Basic Needs	Community Engagement	Strong Households/ Economic Mobility	Designations and County Services	Direct Organizational Support		
Gross allocations	\$ 3,490,773	\$ 452,472	\$ 1,274,922	\$ 3,700	\$ 50,000	\$ 22,140	\$ 113,467	\$ 5,407,474	\$ 5,554,930
Less donor designations	0	0	0	0	0	(14,606)	0	(14,606)	(38,825)
Net allocations	3,490,773	452,472	1,274,922	3,700	50,000	7,534	113,467	5,392,868	5,516,105
Salaries	626,457	178,593	777,722	154,216	0	0	371,090	2,108,078	2,262,795
Fringe benefits	47,609	14,515	71,570	21,229	0	0	157,874	312,797	364,347
Payroll taxes	33,875	12,631	49,974	10,564	466	0	59,235	166,745	170,359
Professional fees and contract services	923,931	70,935	647,719	0	0	5,000	292,184	1,939,769	2,318,828
Supplies	63,768	3,126	18,402	0	0	0	3,270	88,566	167,401
Telephone	0	0	11,636	0	0	126	22,202	33,964	51,142
Postage and shipping	7,345	0	846	3	0	0	1,071	9,265	10,297
Occupancy	0	0	0	0	0	0	156,516	156,516	153,565
Equipment, repairs, and rentals	23,474	0	199	1,711	0	0	50,973	76,357	53,904
Printing and duplicating	38,530	3,070	674	57	0	0	9,698	52,029	86,571
Travel	5,507	15	10,594	3,251	0	332	7,388	27,087	68,732
Conferences, conventions, and meetings	67,549	44,098	16,263	144,932	4	0	68,638	341,484	271,909
Membership dues	0	0	558	1,375	0	0	13,642	15,575	8,850
Dues to state United Ways	0	0	0	0	0	0	14,062	14,062	21,278
Insurance	0	0	0	220	0	0	35,914	36,134	14,916
Banking and processing fees	0	0	0	0	0	0	8,542	8,542	4,799
Miscellaneous	0	0	0	0	0	0	5,186	5,186	5,893
Depreciation	0	0	0	0	0	0	97,241	97,241	101,353
	1,838,045	326,983	1,606,157	337,558	470	5,458	1,374,726	5,489,397	6,136,939
United Way Worldwide dues	0	0	0	0	0	0	35,624	35,624	89,672
Total program/community services expenses	\$ 5,328,818	\$ 779,455	\$ 2,881,079	\$ 341,258	\$ 50,470	\$ 12,992	\$ 1,523,817	\$ 10,917,889	\$ 11,742,716

See notes to financial statements.

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

NOTES TO FINANCIAL STATEMENTS  
April 30, 2025 with Comparative Totals for 2024

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***Note 1 – Nature of Activities and Significant Accounting Policies***

Legal Name and Governance

Metro United Way, Inc. (Metro United Way or Organization) is a not-for-profit organization governed 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 and is based in Louisville, Kentucky.

Nature of Activities

For more than 100 years, Metro United Way has been improving lives and our community, which includes Jefferson, Bullitt, Oldham, and Shelby counties in Kentucky and Clark, Floyd, and Harrison counties in Indiana. It is uniquely positioned to harness the power of donors, volunteers, thought leaders, experts, other nonprofits, and government at all levels to ensure positive, sustainable change for every person in its seven-county region. Now more than ever, Metro United Way is focused on three priorities: thriving kids, strong households, and an equitable community.

The work is done through new, innovative programs and initiatives such as United Neighborhoods, Black L.O.V.E. (Live, Own, Vote, Excel), Young Men United, and FundBLACKFounders along with existing, proven programs, partnerships, and initiatives such as the Ready 4 K Alliance, Youth Success Network, Siemer Institute, 2-1-1, and much more.

Basis of Accounting

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 (U.S. GAAP) for not-for-profit organizations and financial statement standards issued by United Way Worldwide. 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 operations and not subject to donor (or certain grantor) restrictions.

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

NOTES TO FINANCIAL STATEMENTS  
April 30, 2025 with Comparative Totals for 2024

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***Note 1 – Nature of Activities and Significant Accounting Policies (Continued)***

Basis of Accounting (Continued)

Net Assets With Donor Restrictions – Net assets subject to donor or certain grantor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both, and reported in the statements 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 net assets without donor restrictions.

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 net assets with donor restrictions.

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 net assets without donor restrictions. Contributions specifically restricted by the donor are reported in net assets with donor restrictions.

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.

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 U.S. GAAP. Accordingly, such information should be read in conjunction with the Metro United Way's financial statements for the year ended April 30, 2024, as restated, 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, pledges, other receivables, and assets held for custodian funds. At times, such cash and cash equivalents in federally insured banks may be in excess of the Federal Deposit Insurance Corporation insurance limit. In order to limit its credit exposure, the Organization utilizes a fully collateralized overnight sweep account at the institution that houses its main checking account.

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

NOTES TO FINANCIAL STATEMENTS  
April 30, 2025 with Comparative Totals for 2024

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***Note 1 – Nature of Activities and Significant Accounting Policies (Continued)***

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.

Revenue Recognition

*Revenue from Contributions and Other Income*

Revenue from the Organization's pledges, contributions, and grants is accounted for in accordance with Accounting Standards Codification (ASC) Topic 958-605. The Organization does not provide the donor with benefits in return for a pledge or a contribution, nor does the Organization provide services to a grantor in exchange for the grant. Therefore, there is no exchange transaction, and these revenues are outside the scope of ASC Topic 606, *Revenue from Contracts with Customers* (ASC 606).

*Revenue from Contracts with Customers*

Administration and other fees consist of reimbursements to Metro United Way from other organizations for indirect costs incurred by Metro United Way for providing services to support various programs, projects, and other engagement services. These fees are not significant and are accounted for in accordance with ASC 606.

Pledges Receivable

Promises to give are referred to as pledges by the Organization. Pledges, less an estimated provision for uncollectible amounts, are recorded as receivables in the year made. The Organization provides for losses on pledges receivable using the allowance method. The allowance 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 are recognized by the Organization and recorded with "Prior Campaigns-Additional Contributions" on the statements of activities.

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 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.

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***Note 1 – Nature of Activities and Significant Accounting Policies (Continued)***

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 – Quoted prices for identical assets and liabilities traded in active exchange markets, such as the New York Stock Exchange.

Level 2 – Observable inputs other than Level 1 including quoted prices for similar assets or liabilities, quoted prices in less active markets, or other observable inputs that can be corroborated by observable market data. Level 2 also includes derivative contracts whose value is determined using a pricing model with observable market inputs or can be derived principally from or corroborated by observable market data.

Level 3 – Unobservable inputs supported by little or no market activity for financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation; also includes observable inputs for nonbinding single dealer quotes not corroborated by observable market data.

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.

During the years ended April 30, 2025 and 2024, 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.

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***Note 1 – Nature of Activities and Significant Accounting Policies (Continued)***

Fair Value Measurements (Continued)

The following are descriptions of the valuation methodologies used for instruments measured at fair value:

*Investment Securities*

The fair value of investment securities, including money market funds, equity mutual funds, corporate fixed income funds, and U.S. government agency funds, 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. The Organization capitalizes expenditures in excess of \$500 with useful lives of one year or more. 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, 2025 and 2024.



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***Note 1 – Nature of Activities and Significant Accounting Policies (Continued)***

Leases

The Organization determines if an arrangement is or contains a lease at inception, which is the date on which the terms of the contract are agreed to, and the agreement creates enforceable rights and obligations. A contract is or contains a lease when (i) explicitly or implicitly identified assets have been deployed in the contract, and (ii) the Organization obtains substantially all of the economic benefits from the use of that underlying asset and directs how and for what purpose the asset is used during the term of the contract. The Organization also considers whether its service arrangements include the right to control the use of an asset.

The Organization made an accounting policy election available under ASC Topic 842, *Leases*, not to recognize right-of-use (ROU) assets and lease liabilities for leases with a term of 12 months or less and instead recognizes the lease payments in changes in net assets on a straight-line basis over the lease term. For all other leases, ROU assets and lease liabilities are measured based on the present value of future lease payments over the lease term at the commencement date of the lease (or May 1, 2022, for existing leases upon the adoption of Topic 842). The ROU assets also include any initial direct costs incurred and lease payments made at or before the commencement date and are reduced by any lease incentives. To determine the present value of lease payments, the Organization made an accounting policy election available to non-public companies to utilize a risk-free borrowing rate, which is aligned with the lease term at the lease commencement date (or remaining term for leases existing upon the adoption of Topic 842). The Organization elected to use this risk-free borrowing rate for all leases. For any lease in which the rate implicit in the lease is readily determinable, that rate must be used instead of the risk-free borrowing rate.

Future lease payments may include fixed rent escalation clauses or payments that depend on an index (such as the consumer price index), which would be initially measured using the index or rate at lease commencement. Subsequent changes of an index and other periodic market-rate adjustments to base rent would be recorded in variable lease expense in the period incurred. Residual value guarantees or payments for terminating the lease, if present in the lease, are included in the lease payments only when it is probable that they will be incurred.

The Organization has made an accounting policy election to account for lease and non-lease components in its contracts as a single lease component for its real estate lease asset class. The non-lease components typically represent additional services transferred to the Organization, such as common area maintenance for real estate. Additionally, the Organization makes payments to or on behalf of the lessor for reimbursement of certain costs, such as property taxes and insurance. These payments are non-component costs representing additional consideration in the contract, which is allocated to the single lease component. Non-lease component and non-component costs that are fixed in nature are included with the lease payments in the calculation of the lease liabilities and ROU assets; however, non-lease component and non-component costs that are variable in nature are recorded in variable lease expense in the period incurred.

For the years ended April 30, 2025 and 2024, all leases were short-term in nature and; therefore, the Organization did not recognize ROU assets and lease liabilities for leases in accordance with the accounting policy election available under ASC 842.

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***Note 1 – Nature of Activities and Significant Accounting Policies (Continued)***

Allocations Payable

At the conclusion of each campaign year, the Organization identifies undesignated funds to be allocated to a variety of programs across the seven-county service area. The Organization uses community data, and local agency relationships to determine allocations to best meet community needs. Allocations are recommended by the Community Impact Cabinet and approved by the Board of Directors. Allocation expenses are recorded once an agency has been notified of its approved allocation. To assist with the Organization's efforts, Jefferson County funds both traditional and non-traditional agencies and supports Organization led programming.

Board Designated for Future Allocations and Initiatives

"Board designated for future allocations and initiatives" on the statements of financial position as of April 30, 2025 and 2024, represent funds eligible to be allocated to agencies and initiatives subsequent to the fiscal year-end. The associated allocation payable liability and allocation expense will be incurred and recorded at the time of the award.

Donor Advised Fund

The Organization has a donor advised fund that enables a donor to identify funding opportunities aligned with values and charitable interests of the donor. The donor advised fund allows the donor to recommend grant recipients, subject to the Organization's due diligence and approval. The donor advised fund is not restricted and is included in investments on the statements of financial position. The Organization has a donor advised fund of \$2,938,580 and \$4,108,430 as of the years ended April 30, 2025 and 2024, respectively, which are included within investments in the statements of financial position.

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.

Functional Expenses

The financial statements report certain categories of expenses that are attributed to both program and supporting functions. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include employee salaries, fringe benefits, professional fees and contract services, insurance, depreciation, telephone, occupancy, equipment, repairs, and rentals, and printing and duplicating, which are allocated on the basis of estimates of staff time and effort.

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NOTES TO FINANCIAL STATEMENTS  
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***Note 1 – Nature of Activities and Significant Accounting Policies (Continued)***

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP 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, 2024 financial statements have been reclassified to conform to the April 30, 2025 classification.

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**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 balance sheet date, comprise the following:

	2025	2024
Cash and Cash Equivalents	\$ 5,594,777	\$ 771,521
Investments and Investments Held by Others	35,556,305	37,666,712
Pledges Receivable, Net	2,914,162	3,131,693
Other Receivables	231,782	1,028,321
Subtotal of financial assets	<u>44,297,026</u>	<u>42,598,247</u>
Less Amounts Unavailable for General Expenditures Within One Year, Due To:		
Restricted by donors with purpose restrictions	(6,207,477)	(2,456,397)
Endowment earnings restricted until appropriated by Board	(3,487,279)	(2,966,657)
Assets Held by Others - Beneficial Interest	(735,213)	(700,994)
Restricted by donors in perpetuity	(3,514,128)	(3,480,485)
Long-term pledges receivable without donor restrictions, net	<u>(51,336)</u>	<u>(136,693)</u>
Total amounts unavailable for general expenditures within one year	<u>(13,995,433)</u>	<u>(9,741,226)</u>
Less Amounts Unavailable to Management Without Board Approval:		
Board designated endowment fund	(13,874,426)	(12,679,612)
Board designated for future allocations and initiatives	(4,869,350)	(8,693,574)
Board designated for donor advised fund	(2,938,580)	(4,108,430)
Board designated for Southern Indiana	<u>(395,988)</u>	<u>(391,546)</u>
Total amounts unavailable to management without Board approval:	<u>(22,078,344)</u>	<u>(25,873,162)</u>
Total financial assets available to management for general expenditures within one year	<u>\$ 8,223,249</u>	<u>\$ 6,983,859</u>

As part of the liquidity management plan, the Organization invests excess cash in short-term investments, certificates of deposit, and money market funds. As further discussed in Note 6, the Organization also has an operating line of credit with maximum borrowings available of \$1,000,000.

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NOTES TO FINANCIAL STATEMENTS  
April 30, 2025 with Comparative Totals for 2024

***Note 3 – Investments and Investments Held by Others***

At April 30, 2025 and 2024, the Organization's investments are as follows:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
<u>April 30, 2025</u>				
Money market funds	\$ 4,889,771	\$ 4,889,771	\$ 0	\$ 0
Equity mutual funds	19,569,823	19,569,823	0	0
Corporate fixed income funds	6,391,882	0	6,391,882	0
U.S. government agency funds	<u>2,397,098</u>	<u>2,397,098</u>	<u>0</u>	<u>0</u>
Total investments at fair value	<u>\$ 33,248,574</u>	<u>\$ 26,856,692</u>	<u>\$ 6,391,882</u>	<u>\$ 0</u>
<u>April 30, 2024</u>				
Money market funds	\$ 2,757,766	\$ 2,757,766	\$ 0	\$ 0
Equity mutual funds	18,969,648	18,969,648	0	0
Corporate fixed income funds	8,032,442	0	8,032,442	0
U.S. government agency funds	<u>5,705,612</u>	<u>5,705,612</u>	<u>0</u>	<u>0</u>
Total investments at fair value	<u>\$ 35,465,468</u>	<u>\$ 27,433,026</u>	<u>\$ 8,032,442</u>	<u>\$ 0</u>

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

At April 30, 2025 and 2024, the Organization's investments held by others are as follows:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
<u>April 30, 2025</u>				
Money market funds	\$ 245,731	\$ 245,731	\$ 0	\$ 0
Equity mutual funds	<u>1,326,788</u>	<u>1,326,788</u>	<u>0</u>	<u>0</u>
Fair value of investment securities held by others	1,572,519	1,572,519	0	0
Beneficial interest in trusts held by others	<u>735,212</u>	<u>0</u>	<u>0</u>	<u>735,212</u>
Total investments held by others at fair value	<u>\$ 2,307,731</u>	<u>\$ 1,572,519</u>	<u>\$ 0</u>	<u>\$ 735,212</u>
<u>April 30, 2024</u>				
Money market funds	\$ 6,136	\$ 6,136	\$ 0	\$ 0
Equity mutual funds	1,312,243	1,312,243	0	0
Corporate fixed income funds	<u>181,871</u>	<u>0</u>	<u>181,871</u>	<u>0</u>
Fair value of investment securities held by others	1,500,250	1,318,379	181,871	0
Beneficial interest in trusts held by others	<u>700,994</u>	<u>0</u>	<u>0</u>	<u>700,994</u>
Total investments held by others at fair value	<u>\$ 2,201,244</u>	<u>\$ 1,318,379</u>	<u>\$ 181,871</u>	<u>\$ 700,994</u>

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NOTES TO FINANCIAL STATEMENTS  
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***Note 3 – Investments and Investments Held by Others (Continued)***

The Organization has beneficial interest in 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, 2023	\$ 597,275
Total net realized and unrealized gains included in change in net assets	117,323
Purchases	58,953
Sales	(61,258)
Settlements	<u>(11,299)</u>
Balance at April 30, 2024	700,994
Total net realized and unrealized gains included in change in net assets	59,497
Purchases	218,799
Sales	(222,956)
Settlements	<u>(21,122)</u>
Balance at April 30, 2025	<u><u>\$ 735,212</u></u>

Net investment income for the years ended April 30, 2025 and 2024 consists of the following:

	<u>2025</u>	<u>2024</u>
Dividend and interest income	\$ 1,095,714	\$ 1,023,906
Realized gain	1,480,888	2,021,842
Unrealized gain	488,817	466,408
Appreciation of investments held by others	78,281	316,961
Investment expenses	<u>(91,002)</u>	<u>(120,459)</u>
Total investment income, net	<u><u>\$ 3,052,698</u></u>	<u><u>\$ 3,708,658</u></u>

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NOTES TO FINANCIAL STATEMENTS  
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***Note 4 – Pledges Receivable and Other Receivables***

*Pledges Receivable*

At April 30, 2025 and 2024, the Organization's pledges receivable are as follows:

	<u>2025</u>	<u>2024</u>
Amounts due in:		
Less than one year	\$ 2,931,312	\$ 2,481,489
One to five years	<u>566,230</u>	<u>986,117</u>
 Total pledges receivable	 3,497,542	 3,467,606
Less discount	(3,000)	(24,000)
Less allowance for uncollectible pledges	<u>(580,380)</u>	<u>(311,913)</u>
 Pledges receivable, net	 <u><u>\$ 2,914,162</u></u>	 <u><u>\$ 3,131,693</u></u>

Pledges that are expected to be collected within one year are recorded at their net realizable value. Pledges that are expected to be collected in future years are recorded at the present value of estimated future cash flows.

The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discount is included in campaign revenue. The interest rate used in computing the discount of the estimated future cash flows was 4.41 percent for pledges received for each of the years ended April 30, 2025 and 2024. The Organization deemed the discount on future pledges due in one to five years insignificant at April 30, 2024. During fiscal years when a discount is recorded, the discount will be recognized as income in future fiscal years and amortized over the duration of the pledges. An allowance for uncollectible pledges receivable is provided based on management's judgment, including such factors as prior collection history and type of pledge.

The timing of the close-out of campaigns will vary from year to year based on the status of collections.

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.

*Other Receivables*

Other receivables, which are included in other receivables and prepaid expenses on the statement of financial position, consist of government grants, sponsorships, and other miscellaneous receivables. Other receivables of \$231,782 and \$1,028,321 as of April 30, 2025 and 2024, respectively, are expected to be collected within one year.



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NOTES TO FINANCIAL STATEMENTS  
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***Note 5 – Property and Equipment***

Property and equipment at April 30, 2025 and 2024 consisted of the following:

	<u>2025</u>	<u>2024</u>
Land	\$ 403,218	\$ 403,218
Building and improvements	5,278,140	5,226,577
Equipment, furniture, and fixtures	1,095,314	1,062,529
Automobiles	<u>32,691</u>	<u>32,691</u>
	6,809,363	6,725,015
Accumulated depreciation	<u>(5,115,953)</u>	<u>(4,872,852)</u>
	<u><u>\$ 1,693,410</u></u>	<u><u>\$ 1,852,163</u></u>

Depreciation expense for the years ended April 30, 2025 and 2024 was \$243,102 and \$253,383, respectively.

***Note 6 – Line of Credit***

The Organization has an operating line of credit with maximum borrowings of \$1,000,000. The note provides for interest at 1.15 percent in excess of the Index Rate for the years ended April 30, 2025 and 2024, is secured by assets of the Organization, and matures on December 27, 2025. There were no borrowings on the line of credit at April 30, 2025 and 2024.

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**Note 7 – Net Assets with Donor Restrictions and Net Assets Released from Restrictions and Commitments**

Net assets with donor restrictions at April 30, 2025 and 2024 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 net assets with donor restrictions is as follows:

	2025	2024
Purpose-based restrictions:		
Kindergarten readiness	\$ 4,908,786	\$ 695,881
Other early care and education initiatives	73,264	66,416
Economic stability initiatives	575,918	619,831
United community	0	165,000
Black male achievement gifts	9,068	15,103
Black love philanthropic partnership	75,280	312,972
Grace James Academy	35,412	49,402
Other youth success initiatives	75,702	99,885
Other restricted gifts	454,047	431,907
Total purpose-based restrictions	6,207,477	2,456,397
Time restricted for future periods:		
Future campaigns without purpose restrictions	234,963	527,675
Beneficial interest in trusts held by others	477,805 (A)	458,426
Endowment earnings not yet appropriated by Board	3,487,279	2,966,657
Total time restricted for future periods	4,200,047	3,952,758
Perpetual in nature:		
Beneficial interest in trusts held by others	257,408	242,568
Endowment	3,514,128	3,480,485
Total perpetual in nature	3,771,536	3,723,053
	<u>\$ 14,179,060</u>	<u>\$ 10,132,208</u>

(A) The Organization is a beneficiary of a trust in which they receive interest on an annual basis. The principal is restricted through fiscal year 2043, at which time, the restriction on the principal balance will be released.

Net assets of \$403,983 and \$261,373 for the years ended April 30, 2025 and 2024, respectively, have been released from donor restrictions due to the expiration of time restrictions on campaign pledges. Purpose-based restrictions of \$3,400,538 and \$4,193,906 have also been released from net assets with donor restrictions for the years ended April 30, 2025 and 2024, respectively.

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NOTES TO FINANCIAL STATEMENTS  
April 30, 2025 with Comparative Totals for 2024

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***Note 8 – Endowment Funds***

Endowment Funds

As required by U.S. GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. Metro United Way has both Board-designated endowment funds and donor-restricted endowment funds.

Interpretation of Relevant Law

The Organization has interpreted the Kentucky Uniform Prudent Management of Institutional Funds Act (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 retains in perpetuity (a) the original value of initial and subsequent gift amounts (including promises to give net of discount and allowance for doubtful accounts) donated to the Endowment, and (b) any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by us in a manner consistent with the standard of prudence prescribed by 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

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**Note 8 – Endowment Funds (Continued)**

Changes in endowment net assets for the year ended April 30, 2025 are as follows:

	Without Donor Restriction	With Donor Restriction	Total
Endowment net assets, beginning of the year	<u>\$ 12,679,612</u>	<u>\$ 6,447,142</u>	<u>\$ 19,126,754</u>
Investment return			
Investment income	321,191	1,104	322,295
Net change in value (realized and unrealized)	<u>972,705</u>	<u>587,240</u>	<u>1,559,945</u>
Total investment return	<u>1,293,896</u>	<u>588,344</u>	<u>1,882,240</u>
Appropriation of endowment assets for expenditure	<u>(400,782)</u>	<u>(60,210)</u>	<u>(460,992)</u>
Contributions	<u>301,700</u>	<u>26,131</u>	<u>327,831</u>
Endowment net assets, end of year	<u><u>\$ 13,874,426</u></u>	<u><u>\$ 7,001,407</u></u>	<u><u>\$ 20,875,833</u></u>

Changes in endowment net assets for the year ended April 30, 2024 are as follows:

	Without Donor Restriction	With Donor Restriction	Total
Endowment net assets, beginning of the year	<u>\$ 20,856,169</u>	<u>\$ 5,701,174</u>	<u>\$ 26,557,343</u>
Investment return			
Investment income	498,752	74,373	573,125
Net change in value (realized and unrealized)	<u>1,215,705</u>	<u>662,614</u>	<u>1,878,319</u>
Total investment return	<u>1,714,457</u>	<u>736,987</u>	<u>2,451,444</u>
Appropriation of endowment assets for expenditure	<u>(9,919,014)</u>	<u>(65,019)</u>	<u>(9,984,033)</u>
Contributions	<u>28,000</u>	<u>74,000</u>	<u>102,000</u>
Endowment net assets, end of year	<u><u>\$ 12,679,612</u></u>	<u><u>\$ 6,447,142</u></u>	<u><u>\$ 19,126,754</u></u>

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NOTES TO FINANCIAL STATEMENTS  
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***Note 8 – Endowment Funds (Continued)***

Investment Objectives and Spending Policy

Metro United Way's endowments 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. The Organization must hold donor-restricted funds in perpetuity. Under these policies, endowment 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 Board-designated endowment funds with and without donor restrictions are used to support the annual campaign or are 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 are 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, 2025 and 2024.

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NOTES TO FINANCIAL STATEMENTS  
April 30, 2025 with Comparative Totals for 2024

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***Note 9 – Employee Benefit Plans***

Metro United Way sponsors a defined benefit pension plan and a defined contribution 403(b) plan.

**403(b) Plan**

Employees who are eligible to continue to earn benefit accruals on and after January 1, 2018 in the Pension Plan receive a matching contribution equal to 100 percent of the salary reduction amount the employee contributed during the plan year that does not exceed three percent of the employee's compensation during the plan year.

Employees who are not eligible to continue to earn benefit accruals on and after January 1, 2018 in the Pension Plan receive a matching contribution based on the employee's years of service and their deferral amount during the year. Employer matching contributions range between 100 percent to 300 percent of the salary reduction amount the employee contributed during the plan year that does not exceed five percent of the employee's compensation received during the plan years.

The Organization's contributions for the years ended April 30, 2025 and 2024 were \$135,928 and \$137,952, respectively.

**Pension Plan**

To be eligible for future benefit accruals in the defined benefit pension plan, the combined age and years of service were required to be a total 45 years or more on January 1, 2018. Pension benefits are based on years of service and compensation during the last five years of employment.

FASB 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, 2025 and 2024 are as follows:

	<u>2025</u>	<u>2024</u>
Projected benefit obligation at the beginning of the year	\$ 13,959,232	\$ 14,829,855
Service cost	165,610	234,121
Interest cost	760,717	702,516
Actuarial loss (gain)	15,622	(1,288,339)
Benefits paid	<u>(537,093)</u>	<u>(518,921)</u>
Projected benefit obligation at the end of the year	<u>\$ 14,364,088</u>	<u>\$ 13,959,232</u>

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

NOTES TO FINANCIAL STATEMENTS  
April 30, 2025 with Comparative Totals for 2024

**Note 9 – Employee Benefit Plans (Continued)**

Pension Plan (Continued)

The significant changes in assumption that impacted the change in the projected benefit obligation as of April 30, 2025 are as follows:

- The assumed Discount Rate changed from 5.6 percent to 5.5 percent.
- The expected long-term rate of return on assets, for the upcoming year's net periodic benefit cost, has been changed from 6.25 percent to 6.0 percent. This decrease had an increasing effect on the upcoming year's net periodic benefit cost.

The following table sets forth the defined benefit plan's funded status and amounts recognized in the Organization's statements of financial position at April 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Fair value of plan assets	\$ 14,523,982	\$ 13,980,297
Projected benefit obligation	<u>14,364,088</u>	<u>13,959,232</u>
Funded status - overfunded	<u>\$ 159,894</u>	<u>\$ 21,065</u>
Accumulated benefit obligation	<u>\$ 13,740,135</u>	<u>\$ 13,273,414</u>
Accrued benefit recognized in the statements of financial position	<u>\$ (159,894)</u>	<u>\$ (21,065)</u>

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

Net periodic benefit cost including the following components for the years ended April 30, 2025 and 2024 is as follows:

	<u>2025</u>	<u>2024</u>
Service cost	\$ 165,610	\$ 234,121
Interest cost	760,717	702,516
Expected return on plan assets	<u>(781,331)</u>	<u>(880,788)</u>
Net periodic benefit cost	<u>\$ 144,996</u>	<u>\$ 55,849</u>

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

NOTES TO FINANCIAL STATEMENTS  
April 30, 2025 with Comparative Totals for 2024

***Note 9 – Employee Benefit Plans (Continued)***

Pension Plan (Continued)

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

	<u>2025</u>	<u>2024</u>
Net gain	\$ 1,631,409	\$ 1,347,584

There was no net prior service cost yet to be recognized as a component of net period benefit cost for the years ended April 30, 2025 and 2024.

The net actuarial changes other than net periodic benefit costs that are reported separately on the statements of activities that is adjusting net assets without donor restrictions for the years ended April 30, 2025 and 2024 are as follows:

	<u>2025</u>	<u>2024</u>
Net effect of adoption of recognition provisions of ASC Topic 715	\$ 283,825	\$ 673,238
Components other than the service cost component of net periodic benefit costs	<u>20,614</u>	<u>178,272</u>
Net actuarial changes	<u><u>\$ 304,439</u></u>	<u><u>\$ 851,510</u></u>

Other information related to the plan for the years ended April 30, 2025 and 2024 is as follows:

	<u>2025</u>	<u>2024</u>
Net periodic benefit cost	\$ 144,996	\$ 55,849
Benefits paid	537,093	518,921

Weighted-average assumptions used to determine net periodic benefit cost:

Discount rate	5.60%	4.85%
Expected long-term rate of return on assets	6.25%	6.75%
Rate of compensation increase	3.50%	3.50%



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

NOTES TO FINANCIAL STATEMENTS  
April 30, 2025 with Comparative Totals for 2024

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***Note 9 – Employee Benefit Plans (Continued)***

Pension Plan (Continued)

The expected long-term rate of return on plan assets assumption of 6.25 percent was developed as a weighted average rate based on the target asset allocation of the plan and the long-term capital market assumptions for the corresponding fiscal year. 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.

The following table sets forth by level, within the fair value hierarchy, Metro United Way's defined benefit plan assets at fair value as of April 30, 2025 and 2024, which are considered Level 1 investments.

	<u>2025</u>	<u>2024</u>
Equity	\$ 2,754,971	\$ 4,014,232
Fixed income	<u>11,769,011</u>	<u>9,966,065</u>
	<u><u>\$ 14,523,982</u></u>	<u><u>\$ 13,980,297</u></u>

Metro United Way currently provides continuing benefit accruals to a closed group of active participants. As a result, the plan's ultimate liability is capped. The market value of this ultimate liability can be measured periodically as the Total Benefit Obligation (TBO), using the assumptions and methods defined by FASB for such purposes.

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

NOTES TO FINANCIAL STATEMENTS  
April 30, 2025 with Comparative Totals for 2024

***Note 9 – Employee Benefit Plans (Continued)***

Pension Plan (Continued)

As of April 30, 2025 and 2024, the target allocation, based on the TBO funded percentage were as follows:

2025			2024		
TBO Funded Percentage	Target Allocation		TBO Funded Percentage	Target Allocation	
	Equity	Bonds		Equity	Bonds
94.4%	20.0%	80.0%	93.6%	28.0%	72.0%

Since the TBO funded percentage reached 95 percent during the current fiscal year, no assets shall be moved back into equity investments unless Metro United Way directs so.

Estimated pension benefit payments, which reflect future service, for the years ending April 30, 2026 through 2035 are as follows:

<u>Years Ending April 30,</u>	
2026	\$ 810,000
2027	830,000
2028	830,000
2029	850,000
2030	890,000
2031-2035	4,980,000
	<u>\$ 9,190,000</u>

Metro United Way did not contribute to the plan for the year ended April 30, 2025. For the fiscal year ended April 30, 2025, the Organization expects to continue to base its contribution percentage on the recommendation of the actuary after the actuarial valuation is completed. Based on funded status of the plan, the Organization estimates that there will be no employer contributions required for the next fiscal year.

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

NOTES TO FINANCIAL STATEMENTS  
April 30, 2025 with Comparative Totals for 2024

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***Note 10 – Commitments and Contingencies***

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 \$24,974 and \$9,809 for the fiscal years ended April 30, 2025 and 2024, 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. The Organization estimates that the amounts held in the Trust as of April 30, 2025 and 2024 approximate the potential future unemployment obligations incurred as of April 30, 2025 and 2024.

For the year ended April 30, 2025, claims were billed from the state through March 31, 2024. The Organization incurred no additional claims following this date through April 30, 2025.

Paycheck Protection Program Loans

During the year ended April 30, 2020, the Organization received a Paycheck Protection Program (PPP) loan in the amount of \$1,103,800 under the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The Organization believes it met the eligibility criteria for qualification to receive the PPP loan and used the proceeds only for qualifying expenses eligible under the CARES Act. The Organization applied for and received formal forgiveness from the U.S. Small Business Administration (SBA) on November 2, 2020. The Organization believes it has met the subsequent criteria for forgiveness of the PPP loan as set forth in the CARES Act; however, the loan is subject to review by the SBA, which could result in the partial or full repayment of the loan by the Organization.

During the year ended April 30, 2021, the Organization received a second draw PPP loan in the amount of \$1,073,500 under the Economic Aid to Hard-Hit Small Businesses, Non-profits and Venues Act (Economic Aid Act). The Organization believes it met the eligibility criteria for qualification to receive the second draw PPP loan and used the proceeds only for qualifying expenses eligible under the Economic Aid Act. The Organization received formal forgiveness from the SBA on November 4, 2021. The Organization believes it has met the subsequent criteria for forgiveness of the PPP loan as set forth in the Economic Aid Act; however, the loan is subject to review by the SBA, which could result in the partial or full repayment of the loan by the Organization.

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

NOTES TO FINANCIAL STATEMENTS  
April 30, 2025 with Comparative Totals for 2024

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***Note 10 – Commitments and Contingencies (Continued)***

Employee Retention Credit

During the year ended April 30, 2022, the Organization applied for and received Employee Retention Credits (ERC) totaling \$1,325,605 enacted under the CARES Act and other subsequent legislation. The Organization believes it met the eligibility criteria for qualification to receive the ERCs it claimed and subsequently received; however, until the statute of limitations for each associated quarterly payroll tax return expires, an Internal Revenue Service (IRS) examination could result in the partial or full repayment of the ERCs by the Organization.

***Note 11 – Tax Status***

The IRS 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 and is not considered a private foundation. There were no taxes due for the years ended April 30, 2025 and 2024, 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.

***Note 12 – Subsequent Events***

The Organization has evaluated subsequent events through December 9, 2025, the date on which the financial statements were available to be issued.

***--- SUPPLEMENTARY INFORMATION ---***

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

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ended April 30, 2025**

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Provided to Subrecipients</u>	<u>Total Federal Expenditures</u>
<b>Federal Awards</b>				
U.S. Department of Treasury Passed through Louisville Metro Government Public Health and Wellness				
COVID-19: Coronavirus State and Local Fiscal Recovery Funds	21.027	ARP 0060-SHN Office of Youth Development LAT-090	\$ 0	\$ 193,644
COVID-19: Coronavirus State and Local Fiscal Recovery Funds	21.027	CSLFRF-MAY-FY23-004	0	74,728
COVID-19: Coronavirus State and Local Fiscal Recovery Funds	21.027	CSLFRF-MAY-FY23-005	0	439,707
COVID-19: Coronavirus State and Local Fiscal Recovery Funds	21.027	ARP 0060-SHN Office of Youth Development LAT-090	0	189,793
COVID-19: Coronavirus State and Local Fiscal Recovery Funds	21.027	CSLFRF-MAY-FY23-006	0	347,948
COVID-19: Coronavirus State and Local Fiscal Recovery Funds	21.027	CSLFRF-MAY-FY23-011	<u>0</u>	<u>36,795</u>
Total U.S. Department of Treasury			<u>0</u>	<u>1,282,615</u>
U. S. Department of Health and Human Services				
Childhood Lead Poisoning Prevention Projects, State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	93.197	N/A	0	70,373
Passed through Children's Hospital Los Angeles Teenage Pregnancy Prevention Program	93.297	000015640-C	<u>0</u>	<u>30,623</u>
Total U. S. Department of Health and Human Services			<u>0</u>	<u>100,996</u>
Total Expenditures of Federal Awards			<u>\$ 0</u>	<u>\$ 1,383,611</u>

See accompanying notes to Schedule of Expenditures of Federal Awards

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

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended April 30, 2025

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***Note 1 – Basis of Presentation***

The accompanying schedule of expenditures of federal awards (Schedule) includes the federal award activity of Metro United Way, Inc. (Organization) under programs of the federal government for the year ended April 30, 2025. The information in this Schedule is presented in accordance with the requirements of the Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

***Note 2 – Summary of Significant Accounting Policies***

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where applicable.

***Note 3 – Indirect Cost Rate***

The Organization has elected to use the ten percent de minimis indirect cost rate allowed under the Uniform Guidance.

***Note 4 – Subrecipient Awards***

There were no pass-through awards to subrecipients for the year ended April 30, 2025.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

**INDEPENDENT AUDITOR'S REPORT**



**HARDING, SHYMANSKI  
& COMPANY, P.S.C.**

Certified Public Accountants  
and Consultants

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Board of Directors  
Metro United Way, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of Metro United Way, Inc. (Organization), a Not-for-Profit Corporation, which comprise the statement of financial position as of April 30, 2025, the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 9, 2025.

***Report on Internal Control over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and; therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Organization's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs as item 2025-001, that we consider to be a material weakness.



**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS (CONTINUED)**



***Report on Internal Control over Financial Reporting (Continued)***

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs as item 2025-002 to be a significant deficiency.

***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

***Metro United Way's Response to Findings***

*Government Auditing Standards* requires the auditor to perform limited procedures on the Organization's response to the findings identified in our audit in the accompanying schedule of findings and questioned costs. The Organization's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Louisville, Kentucky  
December 9, 2025

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY  
THE UNIFORM GUIDANCE**

**INDEPENDENT AUDITOR'S REPORT**

Board of Directors  
Metro United Way, Inc.

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Metro United Way, Inc.'s (Organization) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended April 30, 2025. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended April 30, 2025.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.



**HARDING, SHYMANSKI  
& COMPANY, P.S.C.**

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**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY  
THE UNIFORM GUIDANCE (CONTINUED)**



***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to on the previous page and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Organization's federal programs.

***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to on the previous page occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and; therefore, is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to on the previous page is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization's compliance with the compliance requirements referred to on the previous page and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY  
THE UNIFORM GUIDANCE (CONTINUED)**



***Auditor's Responsibilities for the Audit of Compliance (Continued)***

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

***Other Matters***

The results of our auditing procures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2025-003. Our opinion on each major federal program is not modified with respect to these matters.

*Government Auditing Standards* requires the auditor to perform limited procedures on the Organization's response to noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The Organization's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

***Report on Internal Control Over Compliance***

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section on the previous page and above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that was considered to be a significant deficiency.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY  
THE UNIFORM GUIDANCE (CONTINUED)**



***Report on Internal Control Over Compliance (Continued)***

We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2025-003, to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

*Government Auditing Standards* requires the auditor to perform limited procedures on the Organization's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The Organization's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Wardig, Skymanski & Company, P.S.C.*

Louisville, Kentucky  
December 9, 2025

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

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ended April 30, 2025**

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**Section 1 - Summary of Auditor's Results**

**Financial Statements**

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with U.S. GAAP: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes
- Significant deficiency(ies) identified? Yes

Noncompliance material to financial statements noted? No

**Federal Awards**

Internal control over major federal programs:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified? Yes

Type of auditor's report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) Yes

Identification of major federal program:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
21.027	COVID-19: Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? No

**Section II - Financial Statement Findings**

**Material Weakness**

2025-001      Lack of Timely Reconciliation and Review of Financial Information

*Criteria:* Management is responsible for maintaining effective internal control over financial reporting to ensure financial transactions are recorded accurately, timely, and in accordance with U.S. GAAP. Timely review and reconciliation of general ledger accounts to supporting documentation is a fundamental control activity necessary to detect and correct errors prior to financial reporting.

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
Year Ended April 30, 2025

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**Section II - Financial Statement Findings (Continued)**

2025-001      Lack of Timely Reconciliation and Review of Financial Information (Continued)

*Condition:* During the audit, audit adjustments were recorded that were material to the financial statements. These adjustments were primarily the result of account balances not being reconciled to supporting schedules or underlying documentation on a timely basis. The errors were not detected and corrected by management's internal controls prior to the financial statement audit. Additionally, it was discovered that reconciliations for certain account balances and transactions were not being performed and Metro United Way was initially unable to reconcile accounting records.

*Cause:* Reconciliations were not performed timely and review procedures were ineffective in identifying discrepancies between the general ledger and supporting documentation.

*Effect:* Management was required to review effected accounts, transactions, and balances to ensure accuracy. This resulted in audit schedules being updated and adjustments to Metro United Way's financial statements for the year ended April 30, 2025.

*Recommendation:* Ensure that accounts are being reconciled on a regular basis to ensure that account balances are accurate and financial information is complete prior to reporting.

*Views of Responsible Officials:* Metro United Way, Inc. agrees with the finding and the recommendation noted above has been implemented for fiscal year-end April 30, 2026.

Significant Deficiency

2025-002      Reconciliation of Federal Award Expenditures and Revenues

*Condition:* During the audit, it was discovered that both revenues and expenditures related to federal awards were not properly reconciled.

*Cause:* Metro United Way did not have a process in place at fiscal year-end to ensure that federal award accounts were monitored and accounting records were reconciled timely and agreed to underlying supporting documentation.

*Effect:* Management was required to review revenues and expenditures related to certain grants to ensure amounts were recorded in the correct accounts and to ensure the Schedule of Expenditures of Federal Awards (SEFA) was accurate. This resulted in adjustments to Metro United Way's financial statements for the year ended April 30, 2025.

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
Year Ended April 30, 2025

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**Section II - Financial Statement Findings (Continued)**

2025-002      Reconciliation of Federal Award Expenditures and Revenues (Continued)

*Recommendation:* Implement and document processes to reconcile federal award accounts monthly and review SEFA prior to audit.

*Views of Responsible Officials:* Metro United Way, Inc. agrees with the finding and the recommendation noted above will implement for fiscal year-end April 30, 2026.

**Section III – Federal Award Findings and Questioned Costs**

Significant Deficiency

2025-003      Inaccurate SEFA

*Identification of the federal program:* All federal programs

*Criteria or specific requirement (including statutory, regulatory, or other citation):* The SEFA should be complete and accurate, supported by accounting records, and reconciled to the general ledger.

*Condition:* During the audit, it was identified that the SEFA did not accurately reflect all federal expenditures incurred during the period under audit.

*Cause:* Timely reconciliations were not performed timely and existing review procedures were not effective in identifying discrepancies between the general ledger and supporting documentation.

*Effect or potential effect:* Management was required to perform additional review of the effected accounts, transactions, and balances to ensure accuracy of the SEFA.

*Questioned costs:* No questioned costs were identified.

*Context:* This finding was identified during audit procedures performed over all federal programs administered by the Organization. Variances were noted across multiple federal programs, resulting in adjustments to the SEFA.

*Identification as a repeat finding, if applicable:* This is not a repeat finding.

*Recommendation:* Management should implement procedures to ensure the SEFA is being reconciled to the general ledger on a regular basis and that amounts reported are complete, accurate, and supported by appropriate documentation prior to reporting.



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SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
Year Ended April 30, 2025

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**Section III – Federal Award Findings and Questioned Costs (Continued)**

*Views of Responsible Officials:* Metro United Way, Inc. agrees with the finding and the recommended corrective actions for the fiscal year ending April 30, 2026.

## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS FOR THE YEAR ENDED APRIL 30, 2025

**Identifying Number:** 2024-001

**Finding:** Subsequent to the issuance of the financial statements for the year ended April 30, 2024, it was discovered that the Organization recorded pledges, receivables, and revenue for certain donors based on estimates calculated by the Organization, rather than formal commitments, which is not in accordance with the requirements of U.S. GAAP.

**Corrective Actions Taken or Planned:** Metro United Way records donor pledge receivables and their related revenue only if there is sufficient evidence in the form of verifiable documentation that a promise to give has been made and received.

**Client Responsible Party(s):** Sandra Watson, Director, Revenue Processing and Phillip Bond, Chief Financial Officer.

**Completion Date:** Corrective action plan was implemented during the fiscal year ending April 30, 2025.

## CORRECTIVE ACTION PLAN FOR THE YEAR ENDED APRIL 30, 2025

**Identifying Number:** 2025-001

**Finding:** During the audit, audit adjustments were recorded that were material to the financial statements. These adjustments were primarily the result of account balances not being reconciled to supporting schedules or underlying documentation on a timely basis. The errors were not detected and corrected by management's internal controls prior to the financial statement audit. Additionally, it was discovered that reconciliations for certain account balances and transactions were not being performed and Metro United Way was initially unable to reconcile accounting records.

**Corrective Actions Taken or Planned:**

The reconciliations were being performed by a single staff member who terminated during the year. Upon that member's departure, the reconciliation process ceased and as a result grant revenues and expenditures were not aligned in the financial statements at the time of the audit. This also created misclassifications in other areas of the financial statements. MUW plans to allocate existing staff resources to reconcile all federal grants to ensure that future grant revenues and expenses are properly recorded in the financial statements.

**Client Responsible Party(s):** Phillip Bond, Chief Financial Officer, Jeremy Jarvi, Chief Development Officer

**Completion Date:** April 30, 2026

**Identifying Number:** 2025-002

**Finding:** During the audit, it was discovered that both revenues and expenditures related to federal awards were not properly reconciled.

**Corrective Actions Taken or Planned:** MUW plans to allocate existing staff resources to ensure that all federal grant revenues and expenses are properly recorded in the financial statements. In addition, MUW plans to document the process related to recording and reconciling grant revenue and expenditures.

**Client Responsible Party(s):** Phillip Bond, Chief Financial Officer, Jeremy Jarvi, Chief Development Officer

**Completion Date:** April 30, 2026

**Identifying Number:** 2025-003

**Finding:** During the audit, it was discovered that the Schedule of Expenditures of Federal Awards did not accurately reflect federal expenditures incurred in the period under audit.

**Corrective Actions Taken or Planned:** MUW plans to take the appropriate steps needed to reconcile expenditures with revenues from federal grants, which will result in the accurate recording of federal expenditures in the Schedule of Expenditures of Federal Awards.

**Client Responsible Party(s):** Phillip Bond, Chief Financial Officer, Jeremy Jarvi, Chief Development Officer

**Completion Date:** April 30, 2026