UNITED WAY OF GREATER ST. LOUIS, INC.

FINANCIAL STATEMENTS

JUNE 30, 2015

United Way
of Greater St. Louis

Contents

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Independent Auditors' Report

Board of Directors
United Way of Greater St. Louis, Inc.
St. Louis, Missouri

Report On The Financial Statements

We have audited the financial statements of United Way of Greater St. Louis, Inc., a not-for-profit organization, which comprise the statement of financial position as of June 30, 2015 and 2014, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility For The Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way of Greater St. Louis, Inc. as of June 30, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

RubinBrown LLP

November 24, 2015

UNITED WAY OF GREATER ST. LOUIS, INC.

STATEMENT OF FINANCIAL POSITION

Assets

	June 30, 2015	June 30, 2014
Cash and cash equivalents (Note 1)	$ 7,773,388	$ 11,226,800
Campaign pledges receivable	29,926,980	30,918,730
Allowance for uncollectible pledges	(3,475,514)	(3,572,419)
Other receivables and prepaid expenses	670,604	1,574,675
Certificates of deposit (Note 5)	6,000,000	3,000,000
Charitable remainder trusts (Note 7)	5,379,129	5,152,358
Assets restricted for temporary investment (Note 5)	3,510,210	3,471,597
Investments (Note 5)	26,522,111	24,642,920
Land, building, furniture and equipment (Notes 6 and 13)	3,635,903	3,556,402
Assets restricted for permanent investment (Notes 5 and 8)	10,408,272	8,645,449
Total Assets	$ 90,351,083	$ 88,616,512

Liabilities And Net Assets

	2015	2014
Liabilities		
Accounts payable and accrued expenses (Note 13)	$ 1,655,253	$ 806,451
Current portion of long-term debt (Note 13)	—	2,070,418
Payable to United Way Worldwide	277,818	277,524
Allocations payable	26,600,035	28,188,402
Donor designations payable	2,394,149	763,587
Pension plan and postretirement plan liabilities (Notes 10 and 11)	2,967,565	3,021,833
Total Liabilities	33,894,820	35,128,215
Net Assets		
Unrestricted:		
Board designated	1,505,843	940,754
Net investment in land, building and equipment	3,635,903	1,485,984
Available for operations	27,598,461	28,467,895
Total Unrestricted	32,740,207	30,894,633
Temporarily restricted (Note 9)	13,307,784	13,948,215
Permanently restricted (Note 8)	10,408,272	8,645,449
Total Net Assets	56,456,263	53,488,297
Total Liabilities And Net Assets	$ 90,351,083	$ 88,616,512

UNITED WAY OF GREATER ST. LOUIS, INC.

STATEMENT OF ACTIVITIES
For The Year Ended June 30, 2015

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Public Support, Revenue And Gains (Losses)				
Public Support				
Annual campaign	$ 70,920,765	$ 4,616,995	$ 2,000,000	$ 77,537,760
Donor designations	(8,710,499)	—	—	(8,710,499)
Provision for uncollectible pledges	(3,358,959)	(87,481)	—	(3,446,440)
Net Annual Campaign (Note 3)	58,851,307	4,529,514	2,000,000	65,380,821
Estate, trust and other contributions	731,272	3,829,757	—	4,561,029
Total Public Support	59,582,579	8,359,271	2,000,000	69,941,850
Revenue And Gains (Losses)				
Net realized gains on investments	16,012	136,546	—	152,558
Net unrealized gains (losses) on investments (Note 5)	263,641	(74,171)	—	189,470
Unrealized gain on interest rate swap agreement (Note 13)	24,960	—	—	24,960
Investment income	631,260	126,770	—	758,030
Increase (decrease) in value of split-interest agreements (Note 7)	—	173,633	(237,177)	(63,544)
Total Revenue And Gains (Losses)	935,873	362,778	(237,177)	1,061,474
Net Assets Released From Restrictions (Note 9)	9,362,480	(9,362,480)	—	—
Total Public Support, Revenue And Gains (Losses)	69,880,932	(640,431)	1,762,823	71,003,324
Allocations And Expenses				
Gross funds awarded to agencies	53,876,512	—	—	53,876,512
Donor designations (Note 3)	(4,029,440)	—	—	(4,029,440)
Other programs and grants	4,837,774	—	—	4,837,774
Allocations to agencies and other programs	54,684,846	—	—	54,684,846
Other Program Services:				
Allocations/Grant-making	1,778,401	—	—	1,778,401
Community Solutions	1,314,162	—	—	1,314,162
Volunteer Center	603,316	—	—	603,316
Case Management Services	2,320,918	—	—	2,320,918
Philanthropic Services	176,583	—	—	176,583
Total Program Services	60,878,226	—	—	60,878,226
Supporting Services:				
Fundraising	5,026,539	—	—	5,026,539
Management and general	1,834,200	—	—	1,834,200
Total Supporting Services	6,860,739	—	—	6,860,739
Total Allocations And Expenses	67,738,965	—	—	67,738,965
Increase (Decrease) In Net Assets From Operations	2,141,967	(640,431)	1,762,823	3,264,359
Pension And Postretirement Plan Changes Other Than Net Periodic Benefit Costs (Notes 10 And 11)	(296,393)	—	—	(296,393)
Increase (Decrease) In Net Assets	1,845,574	(640,431)	1,762,823	2,967,966
Net Assets - Beginning Of Year	30,894,633	13,948,215	8,645,449	53,488,297
Net Assets - End Of Year	$ 32,740,207	$ 13,307,784	$ 10,408,272	$ 56,456,263

UNITED WAY OF GREATER ST. LOUIS, INC.

STATEMENT OF ACTIVITIES
For The Year Ended June 30, 2014

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Public Support, Revenue And Gains (Losses)				
Public Support				
Annual campaign, as restated (Note1)	$ 69,332,991	$ 3,325,121	$ —	$ 72,658,112
Donor designations, as restated (Note 1)	(4,538,140)	—	—	(4,538,140)
Provision for uncollectible pledges	(2,188,991)	(77,378)	—	(2,266,369)
Net Annual Campaign	62,605,860	3,247,743	—	65,853,603
Estate, trust and other contributions	1,061,382	5,254,300	—	6,315,682
Total Public Support	63,667,242	8,502,043	—	72,169,285
Revenue And Gains (Losses)				
Net realized gains (losses) on investments	(8,251)	84,860	—	76,609
Net unrealized gains on investments (Note 5)	3,078,598	629,198	—	3,707,796
Unrealized gain on interest rate swap agreement (Note 13)	59,942	—	—	59,942
Investment income	560,980	127,424	—	688,404
Increase in value of split-interest agreements (Note 7)	—	895,700	401,093	1,296,793
Total Revenue And Gains (Losses)	3,691,269	1,737,182	401,093	5,829,544
Net Assets Released From Restrictions (Note 9)	6,519,102	(6,519,102)	—	—
Total Public Support, Revenue And Gains (Losses)	73,877,613	3,720,123	401,093	77,998,829
Allocations And Expenses				
Gross funds awarded to agencies	55,900,238	—	—	55,900,238
Donor designations	(3,971,457)	—	—	(3,971,457)
Other programs and grants	4,235,247	—	—	4,235,247
Allocations to agencies and other programs	56,164,028	—	—	56,164,028
Other Program Services:				
Allocations/Grant-making	1,661,398	—	—	1,661,398
Community Solutions	1,272,014	—	—	1,272,014
Volunteer Center	792,188	—	—	792,188
Case Management Services	2,477,810	—	—	2,477,810
Total Program Services	62,367,438	—	—	62,367,438
Supporting Services:				
Fundraising	5,162,252	—	—	5,162,252
Management and general	1,752,369	—	—	1,752,369
Total Supporting Services	6,914,621	—	—	6,914,621
Total Allocations And Expenses	69,282,059	—	—	69,282,059
Increase In Net Assets From Operations	4,595,554	3,720,123	401,093	8,716,770
Pension And Postretirement Plan Changes Other Than Net Periodic Benefit Costs (Notes 10 And 11)	455,018	—	—	455,018
Increase In Net Assets	5,050,572	3,720,123	401,093	9,171,788
Net Assets - Beginning Of Year	25,844,061	10,228,092	8,244,356	44,316,509
Net Assets - End Of Year	$ 30,894,633	$ 13,948,215	$ 8,645,449	$ 53,488,297

UNITED WAY OF GREATER ST. LOUIS, INC.

STATEMENT OF FUNCTIONAL EXPENSES
For The Year Ended June 30, 2015

	Program Services						Supporting Services			
	Allocations/ Grant-Making	Community Solutions	Volunteer Center	Case Management Services	Philathropic Services	Total	Fund-raising	Management And General	Total	Total
Gross funds awarded	$ 53,149,870	$ 631,603	$ —	$ 95,039	$ —	$ 53,876,512	$ —	$ —	$ —	$ 53,876,512
Less: Donor designations	(4,029,440)	—	—	—	—	(4,029,440)	—	—	—	(4,029,440)
Other programs and grants	4,396,074	17,596	—	424,104	—	4,837,774	—	—	—	4,837,774
Allocations to agencies and other programs	53,516,504	649,199	—	519,143	—	54,684,846	—	—	—	54,684,846
Salaries	1,069,463	696,327	308,314	1,096,271	82,475	3,252,850	2,472,412	902,163	3,374,575	6,627,425
Taxes and benefits	296,200	168,046	99,009	461,972	14,676	1,039,903	787,730	239,358	1,027,088	2,066,991
Audit and legal fees	6,179	7,221	2,449	7,434	1,934	25,217	19,060	24,963	44,023	69,240
Consulting and other professional fees	66,670	59,604	38,545	210,318	4,235	379,372	216,870	55,574	272,444	651,816
Materials, ads, events and supplies:										
Campaign related	—	—	—	—	—	—	501,833	—	501,833	501,833
Noncampaign related	23,243	15,255	20,540	48,962	1,698	109,698	59,945	19,206	79,151	188,849
Meetings and local travel	32,869	20,287	10,840	24,969	2,262	91,227	73,439	28,560	101,999	193,226
Training and professional development	1,799	7,661	3,929	10,149	933	24,471	29,060	9,069	38,129	62,600
Postage	7,202	2,588	1,218	4,146	267	15,421	39,723	9,866	49,589	65,010
Telephone	15,265	8,025	5,778	107,671	501	137,240	37,532	14,694	52,226	189,466
Occupancy, equipment rental and maintenance	68,531	39,245	37,088	98,113	3,216	246,193	195,542	76,540	272,082	518,275
Depreciation and amortization	42,612	96,625	14,474	55,623	4,233	213,567	120,459	43,982	164,441	378,008
Interest	2,655	2,114	928	3,273	361	9,331	7,269	9,175	16,444	25,775
Insurance	9,981	7,946	3,488	12,306	1,357	35,078	27,326	34,496	61,822	96,900
Other	58,110	141,101	29,990	48,359	55,157	332,717	225,642	304,711	530,353	863,070
United Way Worldwide dues	77,622	42,117	26,726	131,352	3,278	281,095	212,697	61,843	274,540	555,635
Expenses excluding allocations	1,778,401	1,314,162	603,316	2,320,918	176,583	6,193,380	5,026,539	1,834,200	6,860,739	13,054,119
Total	$ 55,294,905	$ 1,963,361	$ 603,316	$ 2,840,061	$ 176,583	$ 60,878,226	$ 5,026,539	$ 1,834,200	$ 6,860,739	$ 67,738,965

UNITED WAY OF GREATER ST. LOUIS, INC.

STATEMENT OF FUNCTIONAL EXPENSES
For The Year Ended June 30, 2014

	Program Services					Supporting Services			
	Allocations/ Grant-Making	Community Solutions	Volunteer Center	Case Management Services	Total	Fund-raising	Management And General	Total	Total
Gross funds awarded	$ 55,339,560	$ 433,618	$ —	$ 127,060	$ 55,900,238	$ —	$ —	$ —	$ 55,900,238
Less: Donor designations	(3,971,457)	—	—	—	(3,971,457)	—	—	—	(3,971,457)
Other programs and grants	3,979,226	30,570	—	225,451	4,235,247	—	—	—	4,235,247
Allocations to agencies and other programs	55,347,329	464,188	—	352,511	56,164,028	—	—	—	56,164,028
Salaries	914,664	724,173	387,833	1,067,036	3,093,706	2,290,176	877,352	3,167,528	6,261,234
Taxes and benefits	388,508	275,010	183,339	560,991	1,407,848	1,049,878	369,846	1,419,724	2,827,572
Audit and legal fees	9,184	28,999	20,607	26,781	85,571	44,568	43,154	87,722	173,293
Consulting and other professional fees	45,144	39,550	45,696	209,502	339,892	224,811	67,323	292,134	632,026
Materials, ads, events and supplies:									
Campaign related	—	—	—	—	—	713,091	—	713,091	713,091
Noncampaign related	18,480	9,058	6,308	18,719	52,565	33,007	13,495	46,502	99,067
Meetings and local travel	29,163	28,977	13,538	33,661	105,339	73,253	29,231	102,484	207,823
Training and professional development	11,440	7,456	6,096	9,264	34,256	16,961	5,469	22,430	56,686
Postage	7,096	2,284	2,499	5,319	17,198	32,243	11,379	43,622	60,820
Telephone	13,759	10,016	5,951	136,371	166,097	36,628	17,809	54,437	220,534
Occupancy, equipment rental and maintenance	58,109	44,158	36,491	101,124	239,882	194,308	86,862	281,170	521,052
Depreciation and amortization	37,481	23,315	23,315	126,118	210,229	117,755	39,547	157,302	367,531
Interest	8,556	6,007	6,006	12,014	32,583	25,582	28,262	53,844	86,427
Insurance	9,722	6,825	6,826	13,651	37,024	29,069	32,113	61,182	98,206
Other	36,215	18,962	16,201	32,317	103,695	70,780	63,144	133,924	237,619
United Way Worldwide dues	73,877	47,224	31,482	124,942	277,525	210,142	67,383	277,525	555,050
Expenses excluding allocations	1,661,398	1,272,014	792,188	2,477,810	6,203,410	5,162,252	1,752,369	6,914,621	13,118,031
Total	$ 57,008,727	$ 1,736,202	$ 792,188	$ 2,830,321	$ 62,367,438	$ 5,162,252	$ 1,752,369	$ 6,914,621	$ 69,282,059

See the accompanying notes to financial statements.

UNITED WAY OF GREATER ST. LOUIS, INC.

STATEMENT OF CASH FLOWS

	For The Years Ended June 30, 2015	2014
Cash Flows From Operating Activities		
Increase in net assets	$ 2,967,966	$ 9,171,788
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation and amortization	378,008	367,531
Contribution of charitable remainder trust	(53,138)	—
Contributions restricted for permanent investment	(2,000,000)	—
Net realized gains on investments	(152,558)	(76,609)
Net unrealized gains on investments	(189,470)	(3,707,796)
Unrealized gain on interest rate swap agreement	(24,960)	(59,942)
(Increase) decrease in value of split-interest agreements	63,544	(1,296,793)
Pension and postretirement plan changes other than net periodic benefits costs	296,393	(455,018)
Changes in assets and liabilities:		
(Increase) decrease in campaign pledges receivable	991,750	(373,435)
Increase (decrease) in allowance for uncollectible pledges	(96,905)	10,415
(Increase) decrease in other receivables and prepaid expenses	900,659	(791,837)
Increase (decrease) in accounts payable and accrued liabilities	864,933	(6,725)
Increase in payable to United Way Worldwide	294	1,240
Decrease in allocations payable	(1,588,367)	(121,766)
Increase in donor designations payable	1,630,562	49,087
Increase (decrease) in accrued pension plan and retirement plan liabilities	(350,661)	89,301
Net Cash Provided By Operating Activities	3,638,050	2,799,441
Cash Flows From Investing Activities		
Purchases of building, furniture and equipment	(445,268)	(57,762)
Proceeds from sale of investments	17,391,576	11,676,778
Purchases of investments	(21,991,115)	(14,219,375)
Proceeds from sale of assets restricted for temporary investment	2,397,611	2,407,539
Purchase of assets restricted for temporary investment	(2,373,848)	(2,367,188)
Purchase of assets restricted for permanent investment	(2,000,000)	—
Net Cash Used In Investing Activities	(7,021,044)	(2,560,008)
Cash Flows From Financing Activities		
Contributions restricted for permanent investment	2,000,000	—
Principal payments on long-term debt	(2,070,418)	(153,797)
Net Cash Used In Financing Activities	(70,418)	(153,797)
Net Increase (Decrease) In Cash And Cash Equivalents	(3,453,412)	85,636
Cash And Cash Equivalents - Beginning Of Year	11,226,800	11,141,164
Cash And Cash Equivalents - End Of Year	$ 7,773,388	$ 11,226,800
Supplemental Disclosure Of Cash Flow Information		
Interest paid	$ 26,285	$ 86,937
Fixed asset purchases in accounts payable	8,829	5,545

See the accompanying notes to financial statements.

1. Summary Of Significant Accounting Policies

Change in Accounting Principle

For fiscal year 2015, the United Way of Greater St. Louis, Inc. (the Organization) changed its accounting method for recording designated campaign contributions from employees of certain local companies who use third-party campaign processors. In prior years, the only revenue recorded from such campaigns related to designated gifts to the Organization as forwarded from and paid by third-party processors. Gifts designated for and paid directly to United Way agencies were not recorded by the Organization since they were neither forwarded nor paid to the United Way. Since these types of contributions are generated as a result of the Organization's efforts and resources directed to those company campaigns, the Organization has determined that these amounts should be included in the annual campaign attainment and related designated awards to agencies in the financial statements. This treatment is consistent with that espoused by United Way of America. There was no impact on the statement of financial position or the change in net assets on the statement of activities as a result of this change. This accounting change did have the following impact on the 2014 statement of activities:

Statement Of Activities For The Year Ended June 30, 2014	
Public Support	
Annual campaign previously reported	$ 72,091,429
Effect of change in accounting principle	566,683
Annual campaign, as restated	$ 72,658,112
Donor designations, as previously reported	$ (3,971,457)
Effect of change in accounting principle	(566,683)
Donor designations, as restated	$ (4,538,140)

Estimates And Assumptions

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

Basis Of Presentation

The financial statement presentation follows the requirements of the Financial Accounting Standards Board. The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. Restricted net assets consist of the following:

Temporarily Restricted Net Assets

Temporarily restricted net assets include gifts for which a donor-imposed restriction has not been met and promises to give for which the ultimate purpose of the proceeds is not permanently restricted. The entire gift, the principal amount given, can be spent in accordance with the donor's restriction.

Permanently Restricted Net Assets

Permanently restricted net assets include gifts, trusts and pledges which require, by donor restriction, that the corpus or the principal be invested in perpetuity and only the income be made available for program operations in accordance with donor restrictions.

Cash And Cash Equivalents

The Organization considers all money market and short-term investments with original maturities less than three months from the date of purchase to be cash equivalents. The Organization invests its cash with financial institutions with strong credit ratings. At June 30, 2015, such balances were in excess of Federal Deposit Insurance Corporation (FDIC) insurance limits by approximately $4,843,000. All of this excess was held in money market accounts investing exclusively in short-term U.S. Government securities and repurchase agreements secured by U.S. Government securities.

Campaign Pledges Receivable

Unconditional pledges receivable are recognized as support in the period the pledges are received. Conditional contributions are recognized as support when the conditions on which they depend have been substantially met.

Pledges receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance. The valuation allowance is computed based upon a five-year historical average adjusted by estimates of current economic factors and applied to individual campaign balances, including donor designations. Those balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to pledges receivable.

Investments And Assets Restricted For Permanent Investment

Investments are reported at fair value, which is based on quoted market prices, with the exception of certificates of deposit which are carried at cost, which approximates fair value. Gains and losses on sales of investments are generally determined on a specific cost identification basis. Unrealized gains and losses are determined based on year-end market valuations.

Land, Building, Furniture And Equipment

Land, building, furniture and equipment are recorded at cost or, if donated, at fair value on the date of receipt, less accumulated depreciation. Depreciation on the building, furniture and equipment is computed using the straight-line method over the estimated useful lives of the assets, ranging from 3 to 40 years.

Derivative Instruments And Hedging Activities

The Organization accounts for derivatives and hedging activities in accordance with accounting standards for such financial instruments. The Organization uses an interest rate swap agreement to manage interest rate volatility related to variable rate debt, and records unrealized gains and losses in the statement of activities. Accounting standards require that all derivatives, including interest rate swaps, be recognized in the statement of financial position at fair value. Derivatives that are not designed as hedges must be recorded at fair value through current period earnings. Fair value for the Organization’s interest rate swap is based on pricing models using current assumptions. The Organization does not hold or issue derivative instruments for trading purposes. The Organization does not speculate using derivative instruments.

Restricted And Unrestricted Public Support

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

Donor Designations

During fiscal year 2015, the Organization implemented "The Complete Charitable Solution" and other modifications to how it processes donor designations. There are now five distinct types of designations:

Regular campaign designations are from traditional workplace campaign donors who may designate some or all of their gifts to specific member agencies. In accordance with accounting standards, these specified designations are not considered to be part of the allocations to agencies and are deducted from campaign results. Payments to member agencies are the greater of their allocation awards or the sum of their designations (Note 3).

"The Complete Charitable Solution" addresses the philanthropic needs of corporations and high net worth individuals to encourage better relationships with the Organization that ultimately lead to increased total funding. Under this model, certain designations, referred to as "pay direct designations", are accepted and processed at no or low cost to the donor (Note 3). These gifts may be to member agencies, other non-profits or to programs managed by the Organization (Note 3).

The Organization processes some national campaigns for companies headquartered in the Greater St. Louis service area. Payments made to other United Ways for employees of those national companies that are located outside of the Greater St. Louis service area are considered donor designations.

The Combined Federal Campaign is based entirely on donor designations according to the rules of the campaign (Note 4).

Third-party processors manage campaign results processing for some national corporations located in the Organization's service area. In instances where the Organization performs fundraising efforts and becomes aware of pledge amounts to its member agencies from such companies, it records the campaign revenue and offsets it by third-party processor designations.

The amounts of donor designations under the first four designation types to specified agencies that remain unpaid at year end are included in the statement of financial position as donor designations payable.

Description Of Program Services And Supporting Activities

The following program services and supporting activities are included in the accompanying financial statements, in accordance with the Organization's Mission Statement (Note 2):

Program Services

Allocations/Grant-making - Includes expenditures for ongoing operational funding and one-time grants to member and non-member agencies, administering the funding and providing oversight of other fund distribution programs (i.e., Dollar More, Dollar Help, 100 Neediest Cases).

Community Solutions - Includes expenditures relating to collaborative approaches to deliver improved community-level outcomes in the United Way impact areas of health, education, basic needs, strong communities and financial stability through research, thought leadership, aligned programming and funding, and community mobilization (i.e., Collective Impact, Ferguson & Beyond, Dolly Parton Imagination Library, SLPS Partnership, etc.)

Volunteer Center - Includes expenditures relating to connecting not-for-profit organizations that are in need of either episodic or ongoing volunteer assistance with community members who are able and willing to help. Training and monitoring help to assure the best possible experiences.

Case Management Services - Includes expenditures related to operating a 24-hour health and human service helpline for 99 Missouri counties and 9 Illinois counties, all accessed using a three-digit telephone number (2-1-1), including case management and navigation services for clients. It also includes expenses for the coordination and delivery of ongoing direct assistance funding and of emergency assistance activities in times of crises on behalf of United Way and other funders including governmental, non-profit, schools and related entities.

Philanthropic Services - Includes expenditures relating to the creation and implementation of tailored back office and advisory services for donor-directed investments that may fall outside of the traditional campaign structure, including disbursement of charitable giving, development of giving strategy, impact monitoring and reporting, and management of donor-directed programming.

Fundraising

Provides the structure necessary to encourage and secure financial support from individuals, organizations and corporations.

Management And General

Includes the functions necessary to maintain an equitable employment program; ensure an adequate working environment; provide coordination and articulation of the Organization's program strategy; secure proper administrative functioning of the Board of Directors; and manage the financial and budgetary responsibilities of the Organization.

Expense Allocation

Expenses are charged to program services and supporting activities on the basis of periodic time and expense studies. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

Advertising Costs

The Organization expenses advertising costs as incurred. Total advertising costs charged against income amounted to $194,267 in 2015 and $246,728 in 2014. These amounts include donations of $52,510 and $100,090 in 2015 and 2014, respectively.

Donated Services

A substantial number of volunteers have donated significant amounts of time to the Organization's program services and to its fundraising campaigns. These services are not recorded in the financial statements since they do not meet the criteria for recognition in accounting standards established for not-for-profit organizations.

Subsequent Events

Management has evaluated subsequent events through November 24, 2015, the date which the financial statements were available for issue.

Income Taxes

The Organization is exempt from federal income taxes on its related, exempt activities under Section 501(c)(3) of the Internal Revenue Code. The Organization's federal tax returns for tax years 2011 and later remain subject to examination by taxing authorities.

Fair Value

The carrying amounts of accounts receivable, campaign pledges receivable, accounts payable and accrued expenses, and current maturities of long term debt approximate fair value due to the short period to maturity. Other pledges receivable and beneficial interests in perpetual trusts under split-interest agreements approximate fair value due to the similarity of the discount or interest rates with the rates of return on investments with similar maturities.

2. Organization

The Organization, founded in 1922, is a not-for-profit organization that conducts annual campaigns in the St. Louis region to raise funds to support more than 170 health and human service organizations throughout the city of St. Louis and 15 surrounding counties in Missouri and Illinois. These agency allocations are determined through a citizen review process that involves more than 400 volunteers who are representative of the St. Louis area community. Payments of agency allocations are made in the calendar year following the campaign, matching the timing of most cash receipts from that campaign. The Organization is governed by a volunteer Board of Directors that both evaluates and helps the agency fulfill its mission.

Mission Statement

The Organization unites people of diverse backgrounds and interests who work together to strengthen health and human services in Missouri and Illinois. The United Way efficiently raises and allocates funds to support a strong network of quality agencies and services; provides information, management and technical resources; identifies critical issues and unmet needs; and builds collaborations with the public and private sectors to meet those needs.

3. Designations

Campaign designations are processed in several separate and distinct ways as described in Note 1. They are deducted from total campaign results to calculate the campaign available for allocations and operations and ultimately to calculate the net campaign as follows:

	June 30, 2015			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Annual campaign	$ 70,920,765	$ 4,616,995	$ 2,000,000	$ 77,537,760
Less: Pay Direct Designations	(4,244,318)	—	—	(4,244,318)
Less: 3rd party processor designations	(436,741)	—	—	(436,741)
Campaign available for allocations/operations	66,239,706	4,616,995	2,000,000	72,856,701
Less: Regular Campaign designations	(4,029,440)	—	—	(4,029,440)
Less: Provision for uncollectible pledges	(3,358,959)	(87,481)	—	(3,446,440)
	(7,388,399)	(87,481)	—	(7,475,880)
Net Campaign	$ 58,851,307	$ 4,529,514	$ 2,000,000	$ 65,380,821

	June 30, 2014		
	Unrestricted	Temporarily Restricted	Total
Annual campaign	$ 69,332,991	$ 3,325,121	$ 72,658,112
Less: 3rd party processor designations	(566,683)	—	(566,683)
Campaign available for allocations/operations	68,766,308	3,325,121	72,091,429
Less: Regular Campaign designations	(3,971,457)	—	(3,971,457)
Less: Provision for uncollectible pledges	(2,188,991)	(77,378)	(2,266,369)
	(6,160,448)	(77,378)	(6,237,826)
Net Campaign	$ 62,605,860	$ 3,247,743	$ 65,853,603

Permanently restricted revenue of $2,000,000 as of June 30, 2015 results from new United Way efforts to generate both short- and long-term investments to support the community now and into the future.

Temporarily restricted campaign revenue of $4,616,995 for the year ended June 30, 2015, in addition to regular campaign revenue restricted for future campaigns, includes Complete Charitable Solution designations to programs managed by the Organization of $1,363,795 and 100 Neediest Cases revenue of $1,408,333. Temporarily restricted campaign revenue of $3,325,121 for the year ended June 30, 2014, in addition to regular campaign revenue restricted for future campaigns, includes 100 Neediest Cases revenue of $1,457,051. No Complete Charitable Solution funds were recognized in 2014. Only regular campaign designations are netted from campaign available for allocations/operations.

4. Governmental Campaign

In U.S. federal offices and military installations throughout the St. Louis metropolitan area, the designation-driven workplace fundraising campaign is done through the East-West Gateway Combined Federal Campaign (CFC). The Organization is a participating federation in the CFC on behalf of itself and its member agencies. United Way federation agencies received pledges of $357,267 from the 2014/15 campaign and $388,077 from the 2013/14 campaign, both net of expenses and an allowance for uncollectible accounts estimated by the CFC. Total distributions made during the year ended June 30, 2015 from those two campaigns were $126,476 and $310,938, respectively. United Way's share of the distributions was $7,963 and $21,397, respectively. Total distributions made during the year ended June 30, 2014 from the 2013/14 and 2012/13 campaigns were $75,371 and $288,117, respectively, with United Way's share of the distributions $4,099 and $18,948, respectively. The 2013/14 CFC campaign was complete by that point. During the 2013/14 and 2014/15 campaigns, the Organization complied with the requirements of the CFC campaign to honor designations made to each member agency by distributing a proportionate share of receipts based on donor designations to each member agency, insofar as they related to accounting matters.

5. Investments

Investments consist of the following:

	2015	**2014**
Cash and money market accounts - short-term investments	$ 405,244	$ 285,480
Certificates of deposit	7,101,492	4,095,337
Mutual funds:		
Domestic large blend index	16,967,201	15,325,978
Foreign large blend index	4,508,749	4,427,679
Real estate index	1,654,994	1,536,778
Fixed income mutual funds:		
Intermediate-term bond index	10,866,277	8,914,901
	$ 41,503,957	$ 34,586,153

The total cost basis of these investments amounted to $32,858,418 and $26,130,086 at June 30, 2015 and 2014, respectively. These amounts are reported in the statement of financial position as follows:

	2015	2014
Certificates of deposit	$ 6,000,000	$ 3,000,000
Assets restricted for temporary investment	3,510,210	3,471,597
Investments	26,522,111	24,642,920
Assets restricted for permanent investment (Note 8)	5,471,636	3,471,636
	$ 41,503,957	$ 34,586,153

Assets restricted for temporary investment include amounts held relating to Dollar More and Dollar Help, and net gains on endowments, including United Way Partnership, Overhead Support and Charmaine Chapman Fund.

Unrealized gains of $189,470 and $3,707,796 were recorded for the years ended June 30, 2015 and 2014, respectively, to adjust the investments to fair value.

The Organization invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that material changes in the values of investment securities could occur.

6. Land, Building, Furniture And Equipment

Land, building, furniture and equipment consists of the following:

	2015			2014		
	Cost	Accumulated Depreciation	Net Book Value	Cost	Accumulated Depreciation	Net Book Value
Land	$ 964,100	$ —	$ 964,100	$ 964,100	$ —	$ 964,100
Building	3,771,872	1,399,756	2,372,116	3,492,538	1,246,633	2,245,905
Furniture and equipment	2,690,813	2,391,126	299,687	2,550,510	2,204,113	346,397
	$ 7,426,785	$ 3,790,882	$ 3,635,903	$ 7,007,148	$ 3,450,746	$ 3,556,402

Depreciation expense amounted to $374,596 and $357,294 for the years ended June 30, 2015 and 2014, respectively.

7. Split-Interest Agreements

The Organization is a beneficiary of four charitable remainder trusts. Upon the death of the last surviving annuitant of each of the trusts, the Organization will receive a specified percentage of the remaining trust balances. At June 30, 2015 and 2014, the Organization's specified percentage of the remaining balances was valued at $5,379,129 and $5,152,358, respectively (Note 9).

In addition, the Organization has a beneficial interest in seven perpetual trusts created by donors. The trust assets are not in the possession or control of the Organization but are held and administered by independent financial institution trustees. The Organization, along with other not-for-profit organizations, is a beneficiary of the trusts. The Organization has recorded the beneficial interest in the perpetual trusts at the Organization's proportionate share of the current fair market value of the trusts, which amounts to $4,936,636 and $5,173,813 at June 30, 2015 and 2014, respectively (Note 8).

The change in value of split-interest agreements was a decrease of $63,544 and an increase of $1,296,793 for the years ended June 30, 2015 and 2014, respectively.

8. Assets Restricted For Permanent Investment

Assets restricted for permanent investment consist of:

	2015	2014
Investments (Note 5)	$ 5,471,636	$ 3,471,636
Beneficial interest in perpetual trusts (Note 7)	4,936,636	5,173,813
	$ 10,408,272	$ 8,645,449

9. Net Assets And Endowments

Temporarily restricted net assets consist of campaign contributions that have not yet been expensed or specifically allocated to Organization agencies as of June 30, 2015 and 2014, as well as contributions that have been restricted by donors for a particular purpose or program and unspent earnings on endowments. Amounts are released from restrictions when the agencies are notified, in writing, of their allocation and when expenses are incurred for program use.

Temporarily restricted net assets are available for the following donor-imposed restrictions:

	2015	2014
Charitable Remainder Trusts (Note 7)	$ 5,379,129	$ 5,152,358
United Way Partnership	2,448,404	2,481,006
2015 Campaign	1,922,528	—
2014 Campaign	—	1,872,774
Wells Fargo Collaborations	522,802	50,000
Overhead Endowment Fund Earnings	466,829	497,556
Boeing Programmatic Technology	350,000	—
Ferguson Fund	330,665	—
Dolly Parton's Imagination Library	281,258	329,150
Charmaine Chapman Endowment Fund Earnings	201,485	210,038
Heroin Collaborative	180,000	180,000
Laclede Gas Company's Dollar Help	162,158	89,136
Ameren Missouri's Dollar More	160,155	45,722
Citi Financial Head Start	136,468	77,145
Individual Development Accounts	121,790	153,003
Siemer Institute	100,500	200,500
Ferguson - Robert Wood Johnson Foundation	87,997	—
St. Louis Ready By 21	84,016	—
St. Louis Initiative to Reduce Violence	74,609	—
David May Employee Trust	65,711	70,711
Long-Term Recovery Disaster Funding	55,100	80,877
100 Neediest Cases	33,706	195,063
United Way Collective Impact	25,000	—
Financial Education Money Smart Week	14,986	14,123
Organized Labor Assistance	13,565	10,213
St. Louis Mental Health Association Scholarships	11,059	26,059
Forum for Youth Investment	5,898	54,750
Pfizer Fund	5,210	5,210
Campaign Representatives	3,500	31,000
The Healthy Youth Partnership	413	30,063
Building Debt Retirement (Note 13)	—	2,017,834
Technology Fund	—	13,915
Other	62,843	60,009
	$ 13,307,784	$ 13,948,215

Temporarily restricted net assets were released due to satisfaction of restrictions as follows:

	2015	2014
Building Debt Retirement	$ 2,017,834	$ —
Restricted Campaign	1,707,633	1,349,610
100 Neediest Cases	1,569,690	1,527,433
Ameren Missouri's Dollar More	1,105,037	875,045
Laclede Gas Company's Dollar Help	969,477	1,101,899
Ferguson - St. Louis County Funding	283,749	—
Ferguson - CDBG	52,424	—
Ferguson - CSBG	36,681	—
Ferguson - Robert Wood Johnson Foundation	12,003	—
Ferguson - Other Resources	479,006	—
Citi Financial Head Start	116,677	131,313
St. Louis Mental Health Association	115,000	260,000
United Way Partnership	114,685	111,883
Overhead Endowment	113,352	106,932
East Side Aligned	101,986	—
Siemer Institute	100,000	100,000
St. Louis Ready By 21	69,984	—
Campaign Representatives	69,300	103,550
St. Louis Initiative to Reduce Violence	55,391	—
Dolly Parton's Imagination Library	50,892	55,295
Wells Fargo Collaborations	42,198	—
Charmaine Chapman Endowment Fund Earnings	32,408	30,681
Individual Development Accounts	31,214	36,372
The Healthy Youth Partnership	29,649	34,955
Long-Term Recovery Disaster Funding	25,777	142,297
Financial Education Money Smart Week	25,387	31,741
Technology Fund	13,915	23,746
David May Employee Trust	5,000	120,000
Heroin Collaborative	—	270,000
Forum for Youth Investment	—	44,150
Anonymous and Other, net	16,131	62,200
	$ 9,362,480	$ 6,519,102

As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments (of which there are currently none), are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of the Organization has adopted an endowment investment policy requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. The Organization classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization.

Endowment Asset Composition By Type Of Fund As Of June 30, 2015:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	$ (45,560)	$ 3,116,718	$ 5,471,636	$ 8,542,794

Endowment Asset Composition By Type Of Fund As Of June 30, 2014:

	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	$ 3,188,600	$ 3,471,636	$ 6,660,236

Changes In Endowment Assets For The Fiscal Year Ended June 30, 2015:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment assets, beginning of year	$ —	$ 3,188,600	$ 3,471,636	$ 6,660,236
Investment return:				
Investment income	9,805	126,190	—	135,995
Net realized and unrealized gains (losses)	(55,365)	62,376	—	7,011
Total investment return	(45,560)	188,566	—	143,006
Endowment additions	—	—	2,000,000	2,000,000
Appropriation of endowment assets for expenditure	—	(260,448)	—	(260,448)
Endowment assets, end of year	$ (45,560)	$ 3,116,718	$ 5,471,636	$ 8,542,794

Changes In Endowment Assets For The Fiscal Year Ended June 30, 2014:

	Temporarily Restricted	Permanently Restricted	Total
Endowment assets, beginning of year	$ 2,597,188	$ 3,471,636	$ 6,068,824
Investment return:			
Investment income	126,850	—	126,850
Net realized and unrealized gains	714,058	—	714,058
Total investment return	840,908	—	840,908
Appropriation of endowment assets for expenditure	(249,496)	—	(249,496)
Endowment assets, end of year	$ 3,188,600	$ 3,471,636	$ 6,660,236

Funds With Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the original value of those contributions or "historic dollar value." Only the General Endowment, which was newly created during the fiscal year with a gift of $2,000,000, fell below that level at June 30, 2015, by $45,560. There were no deficiencies of this nature at June 30, 2014.

Return Objectives And Risk Parameters

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets.

Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for a donor-specified period(s).

Strategies Employed For Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Organization 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 long-term return objectives within prudent risk constraints.

Spending Policy And How The Investment Objectives Relate To It

The Organization records earnings from its endowments in temporarily restricted funds until such time as they are appropriated and released to unrestricted when market conditions allow.

10. Pension Plans

Substantially all employees of the Organization are covered by a noncontributory defined benefit pension plan (the Plan). Benefits are based on years of service and salary levels prior to retirement. The Plan allows for the payment of benefits as a monthly annuity or as a lump sum distribution. The Organization's objective in funding the Plan, in connection with the requirements of the Employee Retirement Income Security Act of 1974, is to accumulate funds to provide for all benefits and to maintain a relatively stable contribution level. The Plan is measured as of June 30, 2015.

The following table sets forth the weighted average assumptions used to determine net periodic benefit expense and benefit obligations as of June 30 each year:

	2015	2014
Discount rate	4.00%	4.00%
Expected long-term return on plan assets	7.50%	7.50%
Rate of compensation increase	2.50%	2.50%

The Organization's expected long-term return on plan assets assumption is based on a periodic review and modeling of the Plan's asset allocation and liability structure over a long-term period. Expectations of returns for each asset class are based on comprehensive reviews of historical data and economic/financial market theory. Contributions to the Plan are based on the expected long-term rate of return on plan assets assumption of 7.5%, which was selected using the "building block" approach described by the Actuarial Standards Board in Actuarial Standards of Practice No. 27 - *Selection of Economic Assumptions for Measuring Pension Obligations.*

The following table sets forth the funded status, components of pension expense and amounts included in the Organization's statement of financial position for the Plan:

	2015	2014
Projected benefit obligation	$ (15,632,655)	$ (15,013,866)
Plan assets at fair value	15,204,625	14,337,801
Funded plan status liability (included in and postretirement plan liabilities)	$ (428,030)	$ (676,065)

Net periodic benefit expense includes the following components:

	2015	2014
Service cost	$ 553,340	$ 658,575
Interest cost	568,770	647,028
Expected return on plan assets	(998,612)	(976,417)
Net amortization of actuarial loss	263,284	381,552
Loss due to settlement	—	551,357
	$ 386,782	$ 1,262,095

A loss due to settlement of $551,357 was recorded for the year ended June 30, 2014. This loss due to settlement was required because the sum of all lump-sum payments and annuity purchases for the year exceeded the sum of the service cost and interest cost for the year.

Amounts recognized on the statement of activities for pension and postretirement changes other than net periodic benefit costs consist of the following:

	2015	2014
Net gain - pension plan	$ (153,752)	$ 717,375
Net prior service cost	(11,431)	(30,405)
Net gain (loss) - postretirement welfare plan (Note 11)	(131,210)	(231,952)
	$ (296,393)	$ 455,018

The accumulated benefit obligation was $14,329,419 and $13,846,520 on June 30, 2015 and 2014, respectively. The accumulated benefit obligation differs from the projected benefit obligation in that it considers service and compensation earned by participants only prior to the valuation date.

Amounts expected to be reflected in Net Periodic Benefit Cost (excluding the period service cost, interest cost and return on plan assets) in the year ending June 30, 2016:

Net prior service cost	$ —
Net actuarial loss	265,621
	$ 265,621

The following tables set forth by level, within the fair value hierarchy, the Plan's assets at fair value as of June 30, 2015 and 2014:

	June 30, 2015		
	Level 1	**Level 2**	**Total**
Pooled Separate Accounts			
Mutual funds - domestic large cap index	$ —	$ 5,473,961	$ 5,473,961
Money Market Accounts -			
Short-term investments	21,573	—	21,573
Mutual funds			
Domestic mid-cap index	1,540,366	—	1,540,366
Foreign large cap index	2,032,103	—	2,032,103
Real estate index	814,201	—	814,201
Fixed Income mutual funds			
Intermediate term bond index	4,407,832	—	4,407,832
Total assets at fair value	$ 8,816,075	$ 5,473,961	$ 14,290,036

	June 30, 2014		
	Level 1	**Level 2**	**Total**
Pooled Separate Accounts			
Mutual funds - domestic large cap index	$ —	$ 5,109,892	$ 5,109,892
Money Market Accounts -			
Short-term investments	15,822	—	15,822
Mutual funds			
Domestic mid-cap index	1,450,122	—	1,450,122
Foreign large cap index	2,129,494	—	2,129,494
Real estate index	784,379	—	784,379
Fixed Income mutual funds			
Intermediate term bond index	4,332,463	—	4,332,463
Total assets at fair value	$ 8,712,280	$ 5,109,892	$ 13,822,172

Plan Assets also include a group annuity reported at its contract value of $914,589 and $515,629 at June 30, 2015 and 2014, respectively.

The Organization's pension plan weighted average asset allocations by asset category are as follows:

	2015		2014	
	Amount	**%**	**Amount**	**%**
Fixed income funds, fixed interest group annuity contract and money markets	$ 5,343,993	35.1%	$ 4,863,914	33.9%
Equity funds	9,860,632	64.9%	9,473,887	66.1%
	$ 15,204,625		$ 14,337,801	

The asset allocation goal of the pension assets is generally 65% equity funds and 35% fixed income. The assets are to be invested in conservative, well-known vehicles traded on established U.S. exchanges.

The Organization has adopted a total return strategy and capital growth objective seeking to achieve a long-term rate of return, net of expenses, in excess of inflation, that also approximates or exceeds the assumed actuarial rate, and that approximates or exceeds the performance of a blended benchmark based on the Plan's target asset allocation.

The long-term investment horizon, strong financial condition of the Organization, funding status, type of plan and return objective indicate a moderate level of investment risk is necessary and appropriate.

Census data used in calculating the Organization's benefit obligation is as of June 30 of each plan year.

Based upon actuarial calculations, the Organization was not required to make a minimum contribution in 2015. Scheduled contributions, as recommended by actuarial valuation, were $328,940 and $530,878 for 2015 and 2014, respectively.

The Organization contributed $800,000 and $1,200,000 to the Plan in 2015 and 2014, respectively. Benefits paid to participants amounted to $347,609 and $2,577,638 for the years ended June 30, 2015 and 2014, respectively.

The Organization intends to contribute $800,000 in the year ending June 30, 2016.

Benefit payments estimated to be paid out in the event all participants requested their payouts are as follows:

Fiscal Year	**Amount**
2016	$ 2,101,000
2017	839,000
2018	925,000
2019	2,770,000
2020	457,000
2021 - 2025	6,149,000

The Organization also maintains a 403(b) plan for eligible employees. Employees are allowed to contribute a percentage of their salaries up to a specified maximum. The 403(b) plan allows employer contributions. Employer contributions made to the plan for 2015 and 2014 amounted to $25,000 and $26,000, respectively.

The Organization has a supplemental executive retirement plan (supplemental plan) to recognize the efforts and accomplishments of certain key employees. The supplemental plan, organized under Section 457(b) of the Internal Revenue Code, provides for annual contributions up to maximum limits as defined in the Plan. The eligible participants may receive disbursements from their account in the supplemental plan upon retirement or severance from the Organization. During the year ended June 30, 2014, the only eligible participant in the plan retired and received payment of the funds which had accumulated in his account. Therefore, there is no liability to the Organization under the supplemental plan at June 30, 2015 or 2014.

11. Postretirement Welfare Plan

In addition to providing pension benefits, the Organization provides healthcare benefits for certain retired employees. Substantially all of the Organization employees hired prior to July 1, 1990 and who retire from the Organization with 10 years of service are eligible for such benefits. None hired after that time are eligible. The benefits provide for the continuation of healthcare coverage with applicable employee contributions based on the particular coverage each eligible retiree selects. At age 65, coverage is provided as a supplement to Medicare at 100% if individual coverage is selected and at 50% for family coverage.

The following sets forth the amounts recognized in the Organization's statement of financial position and the related periodic postretirement benefit cost:

	2015	2014
Accumulated postretirement benefit obligation:		
Retirees and their beneficiaries/dependents	$ 1,704,798	$ 1,539,232
Fully eligible active participants	613,745	627,749
Other active participants	220,992	178,787
Accrued postretirement benefit obligation (included in pension plan and postretirement plan liabilities)	$ 2,539,535	$ 2,345,768

The Organization recognized expense related to the postretirement benefit obligation of $170,464 and $139,397 for the years ended June 30, 2015 and 2014, respectively. The assumed healthcare cost trend rate used in measuring the accumulated postretirement benefit obligation was 6% for the 2015 report and 7% for the 2014 report. In both years' reports, the trend rate is projected to decrease 1% per year to an ultimate rate of 5%. The assumed discount rate used in determining the accumulated benefit obligation was 4.5% and 4.25% for the years ended June 30, 2015 and 2014, respectively.

The accumulated postretirement benefit obligation is not funded; it is on a pay-as-you go basis. Accordingly, this plan has no assets.

The healthcare cost trend rate assumption has a significant effect on the amounts reported. To illustrate, increasing the assumed healthcare cost trend rates by one percentage point in each year would increase the accumulated postretirement benefit obligation (PBO) as of June 30, 2015 by $410,891 and the aggregate of the service and interest cost components of net period postretirement benefit cost for the year then ended by $17,244. A decrease of 1% in the trend rates would decrease the PBO by $331,218.

The net periodic postretirement benefit cost for the year ending June 30, 2016 is expected to include $83,000 amortization of net actuarial loss.

Expected Employer Contributions	
Fiscal 2016*	$ 112,000

* Includes benefits expected to be paid from Organization assets

Expected Net Employer Benefit Payments	
Fiscal 2016	$ 112,000
Fiscal 2017	114,000
Fiscal 2018	128,000
Fiscal 2019	124,000
Fiscal 2020	121,000
Fiscal 2021 - 2025	592,000

12. Leases

The Organization leases various automobiles, leases garage space for its employees and visitors in St. Louis and leases office space for its Southwest Illinois Division under operating leases extending through 2019. Employees share in the cost for their parking through payroll deductions. At June 30, 2015, the future minimum annual rental payments payable are as follows:

Fiscal Year	Amount
2016	$ 81,557
2017	68,980
2018	36,953
2019	13,854
	$ 201,344

Rent expense amounted to $176,921 and $180,797 for the years ended June 30, 2015 and 2014, respectively.

13. Long-Term Debt

The Organization had outstanding tax-exempt bonds at June 30, 2014 carrying a variable interest rate equal to 60.938% of the London Interbank Offering Rate plus 1.02%. Principal and interest were due in variable monthly installments. The building was pledged as collateral on the bonds which had a maturity date of October 1, 2014. The terms of the bonds required maintenance of various covenants and financial ratios, with which the Organization remained in compliance while the debt was outstanding. Interest expense amounted to $25,775 and $86,427 for the years ended June 30, 2015 and 2014, respectively.

During the year ended June 30, 2014, the Organization was the beneficiary of a volunteer-led campaign to raise funds in order to pay off the long-term debt. The total of cash and pledges was $2,017,834 at June 30, 2014, which was shown as part of temporarily restricted net assets at June 30, 2014 (Note 9) and approximated the amount needed to pay off the debt on October 1, 2014 after payments regularly scheduled prior to that date in fiscal year 2015. The bond debt was paid off on October 1, 2014 with the funds raised by the volunteer-led campaign.

On January 1, 2005, the Organization entered into an interest rate swap agreement for the notional amount of $3,300,000 to effectively fix the interest rate of the variable rate loan agreement with Bank of America at 3.98%. The interest rate swap expired when the tax-exempt bonds matured. The notional amount of this agreement reduced commensurate with the principal balance outstanding on the loan agreement, which amounted to $2,070,418 at June 30, 2014. Unrealized gains of $24,960 and $59,943 were recognized in conjunction with the changes in the fair value of the swap agreement and were included in the accompanying statement of activities for the years ended June 30, 2015 and 2014, respectively. A corresponding liability of $24,960 was recorded in accounts payable and accrued expenses in the accompanying statement of financial position at June 30, 2014. There was no corresponding liability in 2015.

14. Fair Value Measurements

Effective July 1, 2008, the Organization adopted the accounting standards for fair value measurements. The standard defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

The accounting standard requires that valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs.

There are three general valuation techniques that may be used to measure fair value, as described below:

- Market approach - Uses prices and other relevant information generated by market transactions involving identical or comparable asset or liabilities.
- Cost approach - Based on the amount that currently would be required to replace the service capacity of an asset.
- Income approach - Uses valuation techniques to convert future amounts to a single present amount based on current market expectations about the future amounts.

The Organization utilized an interest rate swap to reduce the effects of fluctuations in interest rates. This derivative instrument does not qualify for hedge accounting under the specific guidance of accounting standards for such items. The fair value of the interest rate swap was determined through pricing received from the counterparty, which develops the value based on unobservable inputs.

The following are the major categories of assets and liabilities measured at fair value on a recurring basis during the years ended June 30, 2015 and 2014 using quoted market prices in active markets for identical assets (Level 1); significant other observable inputs (Level 2); and significant unobservable inputs (Level 3).

	June 30, 2015			
	Level 1	**Level 2**	**Level 3**	**Total**
Money market accounts reported as cash	$ 7,741,506	$ —	$ —	$ 7,741,506
Money market accounts - short-term investments	405,244	—	—	405,244
Mutual funds				
Domestic large blend index	16,967,201	—	—	16,967,201
Foreign large blend index	4,508,749	—	—	4,508,749
Real estate index	1,654,994	—	—	1,654,994
Fixed income mutual funds				
Intermediate-term bond index	10,866,277	—	—	10,866,277
Charitable remainder trusts	—	—	5,379,129	5,379,129
Interests in perpetual trusts	—	—	4,936,636	4,936,636
Total Assets	$ 42,143,971	$ —	$ 10,315,765	$ 52,459,736
Interest Rate Swap Liability	$ —	$ —	$ —	$ —

	June 30, 2014			
	Level 1	Level 2	Level 3	Total
Money market accounts reported as cash	$ 10,454,630	$ —	$ —	$ 10,454,630
Money market accounts - short-term investments	285,480	—	—	285,480
Mutual funds				
Domestic large blend index	15,325,978	—	—	15,325,978
Foreign large blend index	4,427,679	—	—	4,427,679
Real estate index	1,536,778	—	—	1,536,778
Fixed income mutual funds				
Intermediate-term bond index	8,914,901	—	—	8,914,901
Charitable remainder trusts	—	—	5,152,358	5,152,358
Interests in perpetual trusts	—	—	5,173,813	5,173,813
Total Assets	$ 40,945,446	$ —	$ 10,326,171	$ 51,271,617
Interest Rate Swap Liability	$ —	$ 24,960	$ —	$ 24,960

The following is a reconciliation of the beginning and ending balances for assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) during the years ended June 30, 2015 and 2014:

	Beneficial Interest In Perpetual Trusts	Interests In Charitable Remainder Trusts
Balance - July 1, 2013	$ 4,772,720	$ 4,256,658
Change in value of split-interest agreements	401,093	895,700
Balance - June 30, 2014	5,173,813	5,152,358
Contributions	—	53,138
Change in value of split-interest agreements	(237,177)	173,633
Balance - June 30, 2015	$ 4,936,636	$ 5,379,129

The beneficial interest in perpetual trusts held by others is valued using the fair value of the assets in the trusts as a practical expedient unless facts and circumstances indicate that the fair value of the assets in the trusts differs from the fair value of the beneficial interest.

Interests in charitable remainder trusts are measured at the present value of future cash flows considering the estimated return on the invested assets during the expected term of the agreement, the contractual payment obligations under the agreement, and a discount rate commensurate with the risks involved.

During 2015 and 2014, there were no changes in the methods and/or assumptions utilized to derive the fair value of the Organization's assets or liabilities.

15. Calculation Of Overhead Ratio

	2015	2014
Total Public Support, Revenue, Gains and Losses per Statement of Activities:	$ 71,003,324	$ 77,998,829
Add/subtract revenue items not included on 990:		
Donor designations	8,710,499	4,538,140
Donated advertising income	(52,510)	(100,090)
Net unrealized gains on investments	(189,470)	(3,707,796)
Unrealized gain on interest rate swap agreement	(24,960)	(59,942)
(Increase) decrease in value of split-interest agreements	63,544	(1,296,793)
Total revenue (Line 12, Part I of Form 990)	$ 79,510,427	$ 77,372,348
Total fundraising expenses per Statement of Activities	$ 5,026,539	$ 5,162,252
Less donated advertising expense not included on Form 990	(52,510)	(100,090)
Fundraising (Line 25(d), Part IX of Form 990)	4,974,029	5,062,162
Management and general (Line 25 (c), Part IX of Form 990)	1,834,200	1,752,369
Total overhead expenses	$ 6,808,229	$ 6,814,531
Overhead expenses as a percentage of total revenue	8.56%	8.81%

The Organization received a contribution to establish a permanent Overhead Endowment Fund during the year ended June 30, 2011. This Fund's purpose is to help offset the Organization's annual operating expenses and reduce its effective overhead percentage. Appropriation of earnings from this endowment occurred during the years ended June 30, 2015 and 2014 and had the following impact:

	2015	2014
Total overhead expenses	$ 6,808,229	$ 6,814,531
Distribution from Overhead Endowment Fund	(113,352)	(106,932)
Overhead expenses net of distribution from Overhead Endowment Fund	$ 6,694,877	$ 6,707,599
Overhead expenses as a percentage of total revenue after distribution from Overhead Endowment Fund	8.42%	8.67%

United Way Worldwide has prescribed a standard method for individual United Ways to calculate their overhead percentages. United Ways should calculate their overhead percentage using totals from their IRS Form 990. The amounts in the above schedule for the year ended June 30, 2015 are the amounts that are anticipated to be shown in the Form 990, which had not yet been prepared as of the date of this year's audit. Per a directive from United Way Worldwide, dues paid to them are to be allocated to both program services and supporting services. The amount of dues allocated to program services is $281,095 and $277,525 for the years ended June 30, 2015 and 2014, respectively. The amount of dues allocated to supporting services in 2015 included $212,697 to fundraising and $61,843 to management and general expenses. During 2014, these expenses were $210,142 and $67,383, respectively.

During 2015, the Organization invested $600,000 to join a group organized by United Way Worldwide to assess the changing charitable landscape and develop a digital platform to engage potential investors. This amount is included in other expenses on the statement of functional expenses.

16. Contingencies

The Organization is subject to legal claims arising out of the normal course of conducting its operations. Management does not expect that these matters will have a material adverse effect on the financial statements of the Organization.

Management Certifications

I hereby certify that:

a) I have reviewed the audited financial statements of the United Way of Greater St. Louis, Inc. for the year ended June 30, 2015.

b) To the best of my knowledge, these financial statements neither contain any untrue statement of a material fact nor omit a material fact necessary to make the financial statements not misleading.

c) To the best of my knowledge, these financial statements and other financial information included in this report, fairly present, in all material respects, the financial condition, results of operations, and cash flows of United Way of Greater St. Louis, Inc. as of and for the year ended June 30, 2015.

11/24/15

Orvin T. Kimbrough
President and C.E.O.

Date

Kenneth A. Graesser

November 24, 2015

Kenneth A. Graesser
Senior Vice President and C.F.O.

Date