UNITED WAY OF CENTRAL VIRGINIA, INC.
Lynchburg, Virginia

Financial Statements
for years ended
June 30, 2015 and 2014

A Not-for-Profit Corporation
501(c)3

Incorporated in Virginia in March 1922

UNITED WAY OF CENTRAL VIRGINIA, INC.

UNITED WAY OF CENTRAL VIRGINIA, INC.

Contents

DAVIDSON, DOYLE & HILTON
CERTIFIED PUBLIC ACCOUNTANTS

Report of Independent Auditors

The Board of Directors
United Way of Central Virginia, Inc.
Lynchburg, Virginia

Report on the Financial Statements

We have audited the accompanying financial statements of United Way of Central Virginia, Inc. (the "Corporation"), which comprise the statements 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.

Auditor's 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of the 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 Central Virginia, Inc. as of June 30, 2015 and 2014, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Davidson Doyle & Hilton, LLP

Lynchburg, Virginia
April 8, 2016

UNITED WAY OF CENTRAL VIRGINIA, INC.
Statements of Financial Position
June 30, 2015 and 2014

		2015		2014
Assets				
Current assets				
Cash	$	621,592	$	764,455
Investments		1,049,647		1,026,408
Pledges receivable, net of allowance for uncollectible pledges of $91,296 for 2015 and $102,353 for 2014		1,062,056		1,132,722
Other receivables		64,658		64,562
Prepaid expenses		7,246		7,114
Land, building, and equipment at cost, less accumulated depreciation of $662,284 for 2015 and $654,001 for 2014		69,554		70,676
Total current assets		2,874,753		3,065,937
Other assets				
Endowment investment		355,014		365,718
Perpetual trusts		406,939		431,378
Beneficial interest in annuity		4,649		5,229
Total other assets		766,602		802,325
Total assets	$	3,641,355	$	3,868,262
Liabilities and net assets				
Liabilities				
Accounts payable	$	3,235	$	2,263
Accrued expenses		18,249		40,274
Deferred revenue		96,941		123,393
Designations payable		666,636		573,463
Allocations payable		1,238,640		1,664,313
Total liabilities		2,023,701		2,403,706
Net assets				
Unrestricted		202,071		145,017
Temporarily restricted		752,940		656,896
Permanently restricted		662,643		662,643
Total net assets		1,617,654		1,464,556
Total liabilities and net assets	$	3,641,355	$	3,868,262

See notes to financial statements.

UNITED WAY OF CENTRAL VIRGINIA, INC.
Statement of Activities
Year ended June 30, 2015

	2015			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Campaign and other revenue				
Campaign revenue				
Campaign revenue for next allocation period	$ -	$ 2,815,008	$ -	$ 2,815,008
Less donor designations processed by United Way of Central Virginia, Inc	-	(754,693)	-	(754,693)
Uncollectible pledge expense	-	(91,919)	-	(91,919)
Net campaign for next allocation period	-	1,968,396	-	1,968,396
Campaign revenue applicable to current period				
Net campaign revenue recognized in prior periods released from restrictions	1,890,307	(1,890,307)	-	-
Total campaign revenue	1,890,307	78,089	-	1,968,396
Other revenue				
Interest	1,096	-	-	1,096
Rent	687	-	-	687
Grant income, non-governmental	-	11,780	-	11,780
Grant income, governmental	-	387,678	-	387,678
Investment earnings	23,239	-	-	23,239
Net earnings of endowments	-	5,370	-	5,370
Net earnings of perpetual trusts	(7,100)	-	-	(7,100)
Beneficial interest earnings	-	(580)	-	(580)
Grow One income	2,473	-	-	2,473
Special events	74,892	-	-	74,892
In-kind donations	102,072	-	-	102,072
Miscellaneous	3,432	-	-	3,432
Net assets released from restrictions	386,293	(386,293)	-	-
Total other revenue	587,084	17,955	-	605,039
Total campaign revenue and other revenue	2,477,391	96,044	-	2,573,435
Expenses				
Allocations to members agencies, affiliates, and others	1,120,814	-	-	1,120,814
Community Impact allocation	26,395	-	-	26,395
Functional expenses:		-	-	
Supporting services	220,312	-	-	220,312
Fundraising	381,922	-	-	381,922
Program services	670,894	-	-	670,894
Total allocations and expenses	2,420,337	-	-	2,420,337
Increase in net assets	57,054	96,044	-	153,098
Net assets at beginning of year	145,017	656,896	662,643	1,464,556
Net assets at end of year	$ 202,071	$ 752,940	$ 662,643	$ 1,617,654

See notes to financial statements.

UNITED WAY OF CENTRAL VIRGINIA, INC.
Statement of Activities
Year ended June 30, 2014

	2014			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Campaign and other revenue				
Campaign revenue				
Campaign revenue for next allocation period	$ -	$ 3,123,389	$ -	$ 3,123,389
Less donor designations processed by United Way of Central Virginia, Inc	-	(753,571)	-	(753,571)
Uncollectible pledge expense	-	(83,077)	-	(83,077)
Net campaign for next allocation period	-	2,286,741	-	2,286,741
Campaign revenue applicable to current period				
Net campaign revenue recognized in prior periods released from restrictions	2,309,680	(2,309,680)	-	-
Total campaign revenue	2,309,680	(22,939)	-	2,286,741
Other revenue				
Interest	1,760	-	-	1,760
Rent	560	-	-	560
Grant income, non-governmental	-	34,321	-	34,321
Grant income, governmental	-	360,820	-	360,820
Investment earnings	26,559	-	-	26,559
Net earnings of endowments	-	44,045	10,000	54,045
Net earnings of perpetual trusts	48,813	-	-	48,813
Beneficial interest earnings	-	1,103	-	1,103
Grow One income	1,445	-	-	1,445
Special events	180,628	-	-	180,628
In-kind donations	182,823	-	-	182,823
Miscellaneous	2,774	-	-	2,774
Net assets released from restrictions	409,947	(409,947)	-	-
Total other revenue	855,309	30,342	10,000	895,651
Total campaign revenue and other revenue	3,164,989	7,403	10,000	3,182,392
Expenses				
Allocations to members agencies, affiliates, and others	1,532,931	-	-	1,532,931
Community Impact allocation	4,347	-	-	4,347
Functional expenses:		-	-	
Supporting services	301,804	-	-	301,804
Fundraising	444,281	-	-	444,281
Program services	657,694	-	-	657,694
Total allocations and expenses	2,941,057	-	-	2,941,057
Increase in net assets	223,932	7,403	10,000	241,335
Net assets at beginning of year	(78,915)	649,493	652,643	1,223,221
Net assets at end of year	$ 145,017	$ 656,896	$ 662,643	$ 1,464,556

See notes to financial statements.

UNITED WAY OF CENTRAL VIRGINIA, INC.
Statement of Functional Expenses
Year ended June 30, 2015

	2015								
	Supporting Services					Program Services			
	Management and General	Land, Building, and Equipment	Marketing	Total	Fund Raising	Allocations and Community Initiatives	Community Services	Total	Total All Funds
Auto allowance and travel expense	$ 5,295	$ 4	101	$ 5,400	$ 706	56	1,259	$ 1,315	$ 7,421
Conferences and conventions	1,059	-	458	1,517	131	618	1,199	1,817	3,465
Consulting	-	-	-	-	-	-	42,000	42,000	42,000
Depreciation	8,283	-	-	8,283	-	-	-	-	8,283
Expenditures of grant awards	-	-	-	-	-	-	131,114	131,114	131,114
Fringe benefits	7,163	-	3,129	10,292	41,296	22,348	52,429	74,777	126,365
Insurance	9,726	-	-	9,726	-	-	2,186	2,186	11,912
Janitor service and building maintenance	7,617	(4,120)	4,515	8,012	15,440	7,150	14,586	21,736	45,188
Marketing	376	-	101,556	101,932	7,750	860	5,179	6,039	115,721
Meals	651	-	59	710	1,256	1,736	962	2,698	4,664
Membership dues	3,419	-	1,324	4,743	10,917	3,654	9,631	13,285	28,945
Miscellaneous	4,581	-	-	4,581	271	44	-	44	4,896
Payroll taxes	2,183	-	918	3,101	17,441	9,556	15,876	25,432	45,974
Pension administration	6,934	-	-	6,934	-	-	-	-	6,934
Postage	602	84	24	710	16,531	399	713	1,112	18,353
Printing	-	-	1,000	1,000	13,804	-	120	120	14,924
Professional fees	8,100	-	-	8,100	-	-	-	-	8,100
Promotional functions and materials	-	-	61	61	3,902	-	1,817	1,817	5,780
Publications	138	-	-	138	-	-	263	263	401
Recognition and training	2,050	-	261	2,311	462	-	305	305	3,078
Salaries and wages	6,587	-	10,984	17,571	219,040	133,187	204,026	337,213	573,824
Special projects	-	-	-	-	31,580	-	-	-	31,580
Supplies and maintenance	(115)	1,368	165	1,418	1,395	980	1,119	2,099	4,912
Telephone	8,241	-	-	8,241	-	-	5,522	5,522	13,763
Utilities	-	15,531	-	15,531	-	-	-	-	15,531
Total expenses	$ 82,890	$ 12,867	$ 124,555	$ 220,312	$ 381,922	$ 180,588	$ 490,306	$ 670,894	$ 1,273,128

See notes to financial statements.

UNITED WAY OF CENTRAL VIRGINIA, INC.
Statement of Functional Expenses
Year ended June 30, 2014

	2014								
	Supporting Services					Program Services			
	Management and General	Land, Building, and Equipment	Marketing	Total	Fund Raising	Allocations and Community Initiatives	Community Services	Total	Total All Funds
Auto allowance and travel expense	$ 4,633	$ -	-	$ 4,633	$ 679	161	1,931	$ 2,092	$ 7,404
Conferences and conventions	1,368	-	-	1,368	346	204	2,303	2,507	4,221
Consulting	-	-	-	-	-	-	41,980	41,980	41,980
Depreciation	10,483	-	-	10,483	-	-	-	-	10,483
Expenditures of grant awards			-	-	-	-	166,678	166,678	166,678
Fringe benefits	3,797	-	5,215	9,012	43,397	12,816	51,862	64,678	117,087
Insurance	8,944	-	-	8,944	-	-	2,229	2,229	11,173
Janitor service and building maintenance	5,765	(8,427)	2,148	(514)	14,710	4,762	16,701	21,463	35,659
Marketing	-	-	167,343	167,343	251	867	5,624	6,491	174,085
Meals	643	-	-	643	1,886	1,348	345	1,693	4,222
Membership dues	3,323	-	1,664	4,987	14,795	4,629	11,995	16,624	36,406
Miscellaneous	2,183		-	2,183	100	-	30	30	2,313
Payroll taxes	2,263	-	2,311	4,574	18,711	5,189	16,814	22,003	45,288
Pension administration	6,320	-	-	6,320	-	-	-	-	6,320
Postage	569	83	36	688	24,107	460	680	1,140	25,935
Printing	50	-	-	50	23,087	-	1,056	1,056	24,193
Professional fees	8,100	-	-	8,100	-	-	-	-	8,100
Promotional functions and materials	-	-	513	513	13,848	-	3,240	3,240	17,601
Publications	168	-	-	168	-	-	259	259	427
Recognition and training	617	-	258	875	2,348	126	485	611	3,834
Salaries and wages	17,241	-	29,234	46,475	240,452	72,990	222,299	295,289	582,216
Special projects	-	-	-	-	44,389	-	-	-	44,389
Supplies and maintenance	(743)	1,181	86	524	1,175	617	1,135	1,752	3,451
Telephone	7,947	-	-	7,947	-	-	5,879	5,879	13,826
Utilities	-	16,488	-	16,488	-	-	-	-	16,488
Total expenses	$ 83,671	$ 9,325	$ 208,808	$ 301,804	$ 444,281	$ 104,169	$ 553,525	$ 657,694	$ 1,403,779

See notes to financial statements.

UNITED WAY OF CENTRAL VIRGINIA, INC.
Statements of Cash Flows
Years ended June 30, 2015 and 2014

	2015	2014
Cash flows from operating activities		
Increase in net assets	$ 153,098	$ 241,335
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Depreciation	8,283	10,484
(Increase) decrease in:		
Pledge receivable, net	70,666	192,118
Other receivables	(96)	(10,156)
Prepaid expenses	(132)	(2,050)
Increase (decrease) in:		
Accounts payable	972	(3,163)
Accrued expenses	(22,025)	(60,687)
Deferred revenue	(26,452)	(37,948)
Designations payable	93,173	30,393
Allocations payable	(425,673)	(603,500)
Net cash used in operating activities	(148,186)	(243,174)
Cash flows from investing activities		
Change in net value of endowments	10,704	(38,671)
Change in net value of perpetual trusts	24,439	(27,125)
Change in investment	(23,239)	(976,558)
Change in beneficial interest annuity	580	(1,103)
Additions to land, building, and equipment	(7,161)	(20,213)
Net cash provided by (used in) investing activities	5,232	(1,063,670)
Net decrease in cash	(142,863)	(1,306,844)
Cash at beginning of year	764,455	2,071,299
Cash at end of year	$ 621,592	$ 764,455

See notes to financial statements.

UNITED WAY OF CENTRAL VIRGINIA, INC.
Notes to Financial Statements
June 30, 2015 and 2014

Note 1 – Nature of the organization and summary of significant accounting policies

Nature of the organization

The United Way of Central Virginia, Inc. (the "Corporation") is a not-for-profit corporation whose mission is "to mobilize the compassionate power of our community to improve the quality of lives in Central Virginia." The Corporation seeks to make lasting impact on the community's most pressing needs through stakeholder engagement, public awareness, and resource allocation. Annual campaigns are conducted to raise support for allocations to participating programs in the Central Virginia area. Final approval of allocations to participating programs is made by local volunteers who serve on the Board of the Directors.

Basis of financial statement presentation

The Corporation's financial statements follow the provisions of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards, FASB ASC 958, *Non-Profit Entities*. 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.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. When a 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.

Accordingly, net assets of the Corporation and changes therein are classified and reported as follows:

> Unrestricted net assets – Net assets that are not subject to donor-imposed stipulations. Board designated restrictions are disclosed separately.
>
> Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that may or will be met, either by action of the Corporation and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restraints.
>
> Permanently restricted net assets – Net assets subject to donor-imposed restrictions that the assets be maintained permanently by the Corporation. Generally, the donors of these assets permit the Corporation to use all or part of the income earned on any related net assets for general purposes.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, money markets, and other short-term liquid investments. Money markets used for operations and not donor restricted are also included in cash and cash equivalents.

Campaign and other revenue

In accordance with FASB ASC 958, *Non-Profit Entities,* contributions are recognized when the donor makes an unconditional promise to give and are recorded as unrestricted, temporarily restricted, or permanently restricted, depending on the existence and/or nature of any donor-imposed restrictions. Contributions received with donor-imposed restrictions that are met in the same reporting period are reported as temporarily restricted contributions. For other donor-imposed restrictions, when the 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. If the Board specifies a purpose where none has been stated by the original donor, such assets are classified as Board designated within unrestricted net assets.

Contributions of long-lived assets and cash to acquire long-lived assets that are received without stipulations as to how long the long-lived asset must be used are reported as unrestricted when the assets are placed in service with no time restriction implied.

Note 1 – Nature of the organization and summary of significant accounting policies (continued)

Pledges and allocations

Pledges to the Corporation, net of estimated uncollectible amounts, are recognized as revenue in the period the unconditional pledges are received. Estimated allowances are determined by management based on a three-year average. Any differences between the allowance and the actual pledge losses are reflected in the subsequent year's income. The ability to collect pledges resulting from fund raising efforts is affected by the general economic conditions in the Central Virginia area. Allocations to agencies approved prior to the allocation year are deducted from annual campaign support designated for future periods and are reported as liabilities until paid.

Investments

Investments are comprised of mutual funds and cash accounts stated at their fair values based on quoted market prices. Investments are exposed to various risks, such as interest rate, market, and credit. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in the risks in the near term could materially affect amount reported in the financial statements.

Property and depreciation

Building and equipment is stated in the financial statements at cost. Depreciation is computed by the straight-line method over estimated useful lives as follows:

Classification	Estimated Useful Life
Building	10 – 25 years
Furniture and equipment	3 – 10 years
Transportation	5 years

Expenses for maintenance and repairs are charged against revenues in the year the cost is incurred. Expenditures for additions and major improvements are capitalized and depreciated. Cost and accumulated depreciation are removed from the accounts for property sold or retired, and any resulting gain or loss is included in the statement of activities.

Donated services and materials

Amounts have been reflected in the statements for donated services that can be quantified. A substantial number of volunteers donate significant amounts of their time in the Corporation's fund raising campaigns and program services for which no objective basis is available to measure the value of such services Donated materials or equipment, when received, are reflected as contributions at their estimated fair value at the date of receipt.

Functional expenses

The costs of providing the Corporation's various programs and supporting services have been summarized on a functional basis in the accompanying statement of functional expenses. The functional expenses of the various programs and supporting services included those costs directly attributable to the specific programs as well as an allocation of supporting service expenditures, which, in the estimation of management, are indirectly attributable to the programs.

Advertising

Advertising costs are expensed during the year in which the costs are incurred.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Note 1 – Nature of the organization and summary of significant accounting policies (continued)

Concentration of credit risk

The Corporation 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 changes in the values of investment securities will occur in the near term and that such changes could materially affect Corporation account balances and the amounts reported in the statement of net assets available for benefits.

The Corporation has pledges receivable resulting from its' annual campaign. Pledges receivable are exposed to risks of collectability. Due to the level of risk associated with pledges, it is at least reasonably possible that changes in the amounts collected will occur in the near term and that such changes could materially affect Corporation account balances and the amounts reported in the statement of net assets available for benefits.

Note 2 – Cash balances

The Corporation maintains cash accounts at several local financial institutions. The accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. From time to time, the balances maintained at the institutions may exceed the maximum amount insured by the FDIC. Management of the Corporation believes the risk of loss resulting from uninsured balances is immaterial.

Note 3 – Pledges receivable

Annual campaigns are conducted to raise support for allocations to participating agencies in the subsequent year. The campaign to raise support for allocations to participating agencies begins in the spring of each year.

Pledges receivable at June 30, 2015 and 2014 consisted of the following:

	2015	2014
Pledges receivable expected to be collected within one year	$ 1,153,352	$ 1,235,075
Allowance for uncollectible pledges	(91,296)	(102,353)
Pledges receivable, net	$ 1,062,056	$ 1,132,722

Note 4 – Endowment investments

Investments in the Greater Lynchburg Community Trust management account (endowment accounts) at fair value were $355,014 and $365,718 at June 30, 2015 and 2014, respectively. The investments are in pooled investment assets.

Note 5 – Perpetual trusts

The Corporation is an income beneficiary of perpetual trusts established under the wills of two individual donors. The following tabulation summarizes the types of investments included in perpetual trusts at fair values as of June 30, 2015 and 2014:

	Fair Value	
	2015	2014
Cash equivalents	$ 11,038	$ 16,771
Bond mutual funds	277,989	76,834
Equity mutual funds	117,911	337,773
	$ 406,939	$ 431,378

UNITED WAY OF CENTRAL VIRGINIA, INC.
Notes to Financial Statements
June 30, 2015 and 2014

Note 6 – Fair Value of Assets and Liabilities

FASB ASC 820 defines fair value as the amount that would be received from the sale of an asset or paid for the transfer of a liability in an orderly transaction between market participants at the measurement date. FASB ASC 820 establishes a hierarchy for disclosing assets and liabilities measured at fair value based on the inputs used to value them. The fair value hierarchy maximizes the use of observable inputs and minimizes the use of unobservable inputs. Observable inputs are based on market pricing data obtained from sources independent of the Corporation. Unobservable inputs reflect management's judgment about the assumptions market participants would use in pricing the asset or liability.

The fair value hierarchy includes three levels based on the objectivity of the inputs as follows:

- Level 1 inputs are quoted prices in active markets as of the measurement date for identical assets and liabilities that the Corporation has the ability to access. This category includes exchange-traded mutual funds and equity securities.
- Level 2 inputs are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates or yield curves, that are observable at commonly quoted intervals. This category includes mortgage-backed securities, asset-backed securities, corporate debt securities, certificates of deposit, commercial paper, U.S. agency and municipal debt securities, U.S. Treasury securities and derivative contracts.
- Level 3 inputs are unobservable inputs for the asset or liability, and include situations where there is little, if any, market activity for the asset or liability. The measurements are highly subjective.

Following is a description of the valuation methodologies used for assets measured at fair value:

Cash & certificates of deposit – Valued at fair market value.

Mutual funds and corporate bonds – Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings.

Pooled investments – Valued using net asset value of underlying funds.

	Fair Value Measurement Using:			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total at Fair Value
June 30, 2015				
Cash, deposit account	$ 21,245	$ -	$ -	$ 21,245
Certificates of deposit	451,450	-	-	451,450
Mutual funds	634,134	-	-	634,134
Corporate bonds	349,757	-	-	349,757
Pooled investments	-	355,014	-	355,014
Total	$ 1,456,586	$ 355,014	$ -	$ 1,811,600
June 30, 2014				
Cash, deposit account	$ 21,086	$ -	$ -	$ 21,086
Certificates of deposit	451,278	-	-	451,278
Mutual funds	636,032	-	-	636,032
Corporate bonds	349,390	-	-	349,390
Pooled investments	-	365,718	-	365,718
Total	$ 1,457,786	$ 365,718	$ -	$ 1,823,504

Note 7 – Endowments

The Corporations endowment consists of individual funds established for a variety of purposes. Its endowment includes two donor-restricted endowment funds. As required by GAAP, net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Board of Trustees of the Corporation has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as 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. As a result of this interpretation, the Corporation 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 Corporation in a manner consistent with the standard prudence prescribed by SPMIFA. In accordance with SPMIFA, the Corporation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1) The duration and preservation of the fund
2) The purposes of the Corporation and the donor-restricted endowment fund
3) General economic conditions
4) The possible effect of inflation and deflation
5) The expected total return from income and the appreciation of investments
6) Other resources of the Corporation
7) The investment policies of the Corporation

Spending Policy

The responsibility for investment of all institutional funds is solely the responsibility of the Board of Trustees. The spending policy and how the investment objectives relate to the spending policy, which is applicable to the endowments herewith presented, are stated as follows:

The Corporation's spending formula is calculated using a percentage of the value of the 12-quarter rolling average of the market value of the Endowment Funds on each December 31, such percentage to be between four percent and six percent as approved by the majority of the Board of Trustees.

Return Objectives and Risk Parameters

The responsibility for investment of all endowment funds of the Corporation is solely the responsibility of the Board of Directors. The return objectives and risk parameters applicable to the endowments herewith presented are as follows:

The Corporation has adopted investment policies for endowment assets that attempt to provide a predictable stream of funding for operating and capital expenditures while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Corporation must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of appropriate benchmarks without putting the assets at imprudent risk.

Note 7 – Endowments (continued)

Strategies Employed for Achieving Objectives

The responsibility for investment of all endowment funds is solely the responsibility of the Board of Trustees. The strategies employed for achieving objectives applicable to the endowments herewith presented are as follows:

To satisfy its long-term objectives, the Corporation 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 Corporation targets a diverse asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

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 UMPFIA/SPMIFA requires the Corporation to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature that are reported in unrestricted net assets were $-0- and $3,592 as of June 30, 2015 and 2014, respectively.

Endowment net assets composition by type of fund for the years ended June 30, 2015 and 2014 is as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
June 30, 2015				
Donor-restricted endowment funds	$ -	$ 18,535	$ 336,479	$ 355,014
Board-designated endowment funds	-	-	-	-
Total funds	$ -	$ 18,535	$ 336,479	$ 355,014
June 30, 2014				
Donor-restricted endowment funds	$ -	$ 29,239	$ 336,479	$ 365,718
Board-designated endowment funds	-	-	-	-
Total funds	$ -	$ 29,239	$ 336,479	$ 365,718

UNITED WAY OF CENTRAL VIRGINIA, INC.
Notes to Financial Statements
June 30, 2015 and 2014

Note 7 – Endowments (continued)

Changes in endowment net assets for the years ended June 30, 2015 and 2014 are as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
June 30, 2015				
Endowment net asset, beginning of year	$ -	$ 29,239	$ 336,479	$ 365,718
Investment return:				
Investment income	-	7,889	-	7,889
Net depreciation (realized and unrealized)	-	2,188	-	2,188
Total investment return	-	10,077	-	10,077
Contributions	-	-	-	-
Investment expense:				
Distributions	-	(16,073)	-	(16,073)
Fees	-	(4,708)	-	(4,708)
Total investment expense	-	(20,781)	-	(20,781)
Other changes:				
Transfers for recovery of restricted funds	-	-	-	-
Endowment net asset, end of year	$ -	$ 18,535	$ 336,479	$ 355,014
June 30, 2014				
Endowment net asset, beginning of year	$ (3,592)	$ 4,160	$ 326,479	$ 327,047
Investment return:				
Investment income	-	7,197	-	7,197
Net appreciation, (realized and unrealized)	-	41,559	-	41,559
Total investment return	-	48,756	-	48,756
Contributions	-	-	10,000	10,000
Investment expense:				
Distributions	-	(15,374)	-	(15,374)
Fees	-	(4,711)	-	(4,711)
Total investment expense	-	(20,085)	-	(20,085)
Other changes:				
Transfers for recovery of restricted funds	3,592	(3,592)	-	-
Endowment net asset, end of year	$ -	$ 29,239	$ 336,479	$ 365,718

UNITED WAY OF CENTRAL VIRGINIA, INC.
Notes to Financial Statements
June 30, 2015 and 2014

Note 7 – Endowments (continued)

Description of Amounts Classified as Permanently Restricted Net Assets
and Temporarily Restricted Net Assets (Endowment Only)

Permanently Restricted Net Assets		2015		2014
(1) The portion of perpetual endowment funds that is required to be retained Permanently either by explicit donor stipulation of by UPMIFA	$	336,479	$	336,479
Total endowment funds classified as permanently restricted net assets	$	336,479	$	336,479
Temporarily Restricted Net Assets				
(1) Term endowment funds	$	-	$	-
(2) The portion of perpetual endowment funds subject to a time restriction Under UPMIFA				
Without purpose restrictions		18,535		29,239
With purpose restrictions		-		-
Total endowment funds classified as temporarily restricted net assets	$	18,535	$	29,239

Note 8 – Beneficial interest in annuity trust

The Corporation is the beneficiary of an annuity donated to United Way Worldwide for the benefit of the Corporation. The annuity is a joint and survivor annuity which will make payments to the donors until death. Upon satisfaction of the annuity payments, the residual of the gift will revert to the Corporation. As of June 30, 2015 and 2014, the fair value of the annuity was $4,649 and $5,229, respectively.

Note 9 – Rental income

The Corporation received rental income of $687 and $560 from other agencies under short-term leasing arrangements for space in the Corporation's building for the years ended June 30, 2015 and 2014, respectively.

Note 10 - Land, building, and equipment

Land, building, equipment, and accumulated depreciation at June 30, 2015 and 2014, and depreciation expense for the years ended June 30, 2015 and 2014, were as follows:

	2015			2014		
	Cost	Accumulated Depreciation	Depreciation Expense	Cost	Accumulated Depreciation	Depreciation Expense
Land	$ 33,000	$ -	$ -	$ 33,000	$ -	$ -
Building	539,597	515,202	3,878	532,436	511,324	2,690
Furniture and equipment	137,535	125,376	4,405	137,535	120,971	7,793
Transportation	21,706	21,706	-	21,706	21,706	-
	$ 731,838	$ 662,284	$ 8,283	$ 724,677	$ 654,001	$ 10,483

UNITED WAY OF CENTRAL VIRGINIA, INC.
Notes to Financial Statements
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Note 11 – Awards and grants

The Corporation received the following grants during the year ended June 30, 2015 and 2014:

	2015	2014
Government grants		
State grants	$ 386,586	$ 359,271
Other grants	1,092	1,549
Total government grants	387,678	360,820
Other non-governmental grants		
Virginia Early Childhood Foundation	4,821	3,336
Greater Lynchburg Community Trust	5,897	15,485
Other non-governmental grants	1,062	15,500
Total other non-governmental grants	11,780	34,321
Total grants	$ 399,458	$ 395,141

Note 12 – In-kind donations

As stated in Note 1, the Corporation records donations of advertising, printing and other items and the related expense at their estimated fair value. For the year ended June 30, 2015 and 2014, donated advertising and other items amounted to $102,072 and $182,823, respectively, and are presented as in-kind donations in the accompanying statement of activities. The related advertising and other expenses are presented in the accompanying statement of functional expenses.

Note 13 – Retirement plan

The Corporation's retirement plan is a multi-employer defined contribution Section 403(b) plan covering substantially all employees who are 18 years of age. Under the plan, the Corporation makes a contribution equal to 6% of each participant's compensation plus a matching contribution of 100% of each participant's contributions up to 3% of his or her compensation once eligibility requirements are met (18 years of age and 1 year of service). Participants can defer a portion of their compensation to the plan effective upon hire. The amounts contributed by the Corporation to the plan for the years ended June 30, 2015 and 2014 were $44,962 and $42,234, respectively.

Note 14 – Income taxes

The Corporation is exempt from income tax under Section 501(a) of the Internal Revenue Code (the "Code") and has been determined to be a charitable organization under Section 501(c)(3) of the Code, which qualifies contributions, bequests, and legacies as deductions by the donor for income, estate, and gift tax purposes. An annual information return is filed with the Internal Revenue Service. In addition, the Corporation has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a) of the Code.

The Financial Accounting Standards Board has issued ASC 740-10 which prescribed a comprehensive model for how an organization should measure, recognize, present, and disclose in its financial statements uncertain tax positions that an organization has taken or expects to take on a tax return. The Corporation adopted ASC 740-10. The Corporation has analyzed tax positions taken for filing with the Internal Revenue Service and all state jurisdictions where it operates. The Corporation believes that income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse affect on the Corporation's financial condition, results of operations or cash flows. Accordingly, the Corporation has not recorded any reserves, or related accruals for interest and penalties for uncertain income tax positions at June 30, 2015 and 2014. Fiscal years ending on or after June 30, 2012 remain subject to examination by federal and state tax authorities.

UNITED WAY OF CENTRAL VIRGINIA, INC.
Notes to Financial Statements
June 30, 2015 and 2014

Note 15 – Net assets

Permanently and temporarily restricted net assets as of June 30, 2015 and 2014 consisted of the following:

		2015		2014
Unrestricted				
Campaign revenue	$	167,071	$	121,364
Board designated		35,000		23,653
Total Unrestricted Net Assets	$	202,071	$	145,017
Temporarily Restricted				
Campaign revenue	$	729,726	$	622,428
Beneficial interest in annuity		4,649		5,229
Endowment earnings		18,565		29,239
Total Temporarily Restricted Net Assets	$	752,940	$	656,896
Permanently Restricted				
Endowments	$	336,479	$	336,479
Perpetual trusts		326,146		326,164
Total Permanently Restricted Net Assets	$	662,643	$	662,643

Note 16 – Operating Lease Obligations

The Corporation leases equipment under operating leases. Rental expense relating to these leases totaled $6,990 and $6,905 for the years ended June 30, 2015 and 2014, respectively. Future minimum lease payments under noncancelable leases are as follows:

Year Ending		Amount
2016	$	6,512
2017		5,532
2018		216
2019		-
Thereafter		-
	$	12,260

UNITED WAY OF CENTRAL VIRGINIA, INC.
Notes to Financial Statements
June 30, 2015 and 2014

Note 17 – Schedule of fund distribution

Agency allocations accrued for the years ended June 30, 2015 and 2014 were as follows:

	2015	2014
Adult Care Center of Central Virginia	$ 30,000	$ 36,750
Altavista Habitat for Humanity	6,000	8,500
American Red Cross – Historic Virginia Chapter	67,000	85,000
Arc of Central Virginia	78,197	98,197
Bedford Christian Ministries	12,000	17,000
Big Brothers and Sisters	47,000	72,000
Boy Scouts of America – Blue Ridge Mtns. Council	6,500	7,000
CASA of Central Virginia	33,000	42,000
Central Virginia Alliance for Community Living	78,000	87,500
Community Impact	75,000	75,000
Free Clinic of Central Virginia	59,517	74,000
Gateway House	-	45,000
Girl Scouts	2,000	2,500
HumanKind	125,040	198,000
Jubilee Family Development Center	19,737	29,400
Lake Christian Ministries	10,000	14,500
Lynchburg Community Action Group	92,000	81,650
Lynchburg Sheltered Industries	-	7,000
Mary Bethune Academy	109,079	111,000
Meals on Wheels	-	25,000
Mental Health Association – Lynchburg Area	42,000	61,000
Other	19,528	12,826
Piedmont Community Impact	3,000	-
Rebuilding Together	-	42,000
Salvation Army	69,000	90,330
Virginia Legal Aid Society, Inc.	42,930	56,887
Young Men's Christian Association, Bedford	35,550	39,500
Young Men's Christian Association of Central Virginia	40,000	63,000
Young Women's Christian Association	136,562	181,773
	$ 1,238,640	$ 1,664,313

Note 18 – Overhead ratio

Total overhead ratio for the Corporation is calculated by taking the total supporting services and fund raising as a percentage of the total campaign revenue net of uncollectible pledges. The total overhead ratio for the years ended June 30, 2015 and 2014 was 16.0% and 15.1%, respectively.

UNITED WAY OF CENTRAL VIRGINIA, INC.
Notes to Financial Statements
June 30, 2015 and 2014

Note 19 – Increases and Decreases in Net Assets

United Way of Central Virginia is committed to providing funds for local programs that support education, income and health. The Corporation has, at times, used net asset additions from prior years to supplement current allocations. In such cases, allocations exceed current year funds available and may result in a decrease in net assets. During the years ended June 30, 2015 and 2014, respectively, prior year net asset additions of $158,801 and $43,785 were used to fund allocations.

In addition, because cash flows are not affected, the Corporation does not recognize net changes in its endowment and perpetual trust funds for the purpose of determining program allocations. Therefore, increases and decreases in net assets may result from net gains and losses in these funds. For the years ended June 30, 2015 and 2014, changes in endowment and perpetual trust funds resulted in net gains of $35,708 and net gains of $129,417, respectively.

Certain other increases and decreases in net assets may result from the use of modified cash basis for budgetary purposes, differences in accounting for pledge loss and the matching of campaigns to operations. Variances from GAAP are temporary in nature and usually insignificant over time.

Note 20 - Subsequent Events

The Corporation has evaluated subsequent events through April 8, 2016, the date the financial statements were available to be issued. No events requiring disclosure were noted.